



**ARIZONA DEPARTMENT OF ADMINISTRATION
GENERAL ACCOUNTING OFFICE**

MEMORANDUM

TO: All Agencies
ATTN: Accounting Managers

FROM: D. Clark Partridge
State Comptroller

SUBJECT: Fiscal Year-End 2006-2007 (FYE07) Closing Instructions

DATE: April 6, 2007

Attached are the closing instructions for fiscal year-end 2006-2007 (FYE07) and transaction input dates. These instructions should be carefully read and followed to ensure that the 13th month (Adjustment Period) transactions and FYE07 closing processes are handled as smoothly as possible.

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

TRANSACTION	DEADLINE TO ENTER/RELEASE TRANSACTIONS ON-LINE	DEADLINE TO DELIVER DOCUMENTS TO GAO FOR INPUT/RELEASE
a. Create new year profiles (Automatic)	April 6, 2007	
b. Additions or changes to hierarchies (Org codes, Program codes, Indexes, PCAs, etc.) (FY08)	May 11, 2007, by 8:00 p.m. (Tentative)	May 11, 2007, by 4:00 p.m. (Tentative)
c. Appropriation Load (FY08)	May 25, 2007 (Tentative)	
d. Appropriation Transfers (FY07)		June 18, 2007, by 4:00 p.m.
e. Administrative Adjustments (FY06)	June 15, 2007, by 4:00 p.m.	June 18, 2007, by 4:00 p.m.
f. FY08 Handwritten Warrant requests for 7/1/07 payments		June 18, 2007, by 4:00 p.m.
g. Deposit with State Treasurer or Bank Deposit Slip dated no later than 6/30/07 (See Page 7 of Year-End Instructions for exception)	June 29, 2007, by 2:00 p.m.	June 29, 2007, by 10:00 a.m.
h. Divestment with State Treasurer for 13 th month obligations	June 29, 2007, by 2:00 p.m.	June 29, 2007, by 10:00 a.m.
i. Federal Funds Draw-Downs with the State Treasurer	June 29, 2007, by 2:00 p.m.	June 29, 2007, by 10:00 a.m.
j. Encumbrances	June 29, 2007, by 8:00 p.m.	June 29, 2007, by 10:00 a.m.
k. Error Corrections	Keep current daily	Keep current daily
l. Fixed Asset update	Keep current daily	Keep current daily
m. Automated Transfers, Claims (including Capital Projects & Travel), Journal Entries & Transfers	July 17, 2007, by 8:00 p.m.	July 13, 2007, by 2:00 p.m.
n. Fixed Asset final input (FY07)	July 17, 2007, by 8:00 p.m.	July 13, 2007 by 4:00 p.m.
o. Clear Internal Transaction (IT) File	July 18, 2007, by 8:00 p.m.	
p. Fixed Asset Hold file correction & final reconciliation	July 18, 2007	July 18, 2007, by 4:00 p.m.
q. Prior Year Encumbrances Liquidation	July 20, 2007	
r. Deletion of Transactions with Edit Mode 0, 1, & 3 (automatic)	July 26, 2007	
s. Prior Year Encumbrances re-established and available to agencies	August 6, 2007	

Fiscal Year End 2006-2007 (FYE07) Closing Instructions

April 6, 2007

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KEY OR IMPORTANT NOTES:

1. The dates on the previous page are the last processing dates for various transactions. If multiple steps are required before a transaction can be fully posted, you must consider all the steps and ensure that the last step takes place according to the dates on that list. For instance, if you are processing a Travel Claim that requires an increase to an encumbrance, you must cancel or adjust encumbrance(s) before **July 17, 2007** (the last processing day for the Travel Claims). This will provide a sufficient unencumbered balance for the Travel Claim to be successfully posted on the due date.
2. The month of June will be closed on Friday, **June 29, 2007**, and the monthly June reports will be generated the same day (Friday, June 29, 2007). The financial roll will take place on Friday, June 29, 2007. **We anticipate having the IT file available early July 2, 2007**, and there will be a nightly batch run to process transactions for both current and prior fiscal years. However, unforeseen technical problems from the Financial Table Roll may prevent that from occurring.
3. **The IT file will be closed at 3:30 p.m. on July 20, 24, and 26, 2007**, to allow for special runs. However, the IT file will be **unavailable on July 27, 2007** to assist with the General Ledger Close.
4. Capital Project Claims must be reviewed and approved by ADOA, General Services Division - Capital Project Construction Office, Arabinda Ghosh, Chief Engineer, (602) 542-4438, before being submitted to the GAO.
5. The first Appropriation Load for FY08 is tentatively scheduled for May 25, 2007. If the General Appropriations Act has not been enacted by that time, a revised date will be provided.
6. All General Fund appropriations with personal services (P/S) and employee related expenditures (ERE) are allotted 36%, 21%, 21%, and 22% respectively per quarter. **If any other method is necessary, a letter must be sent annually to the State Comptroller at the GAO** stating (1) why the allotment needs to be allocated differently and (2) how your agency will provide for operations throughout the rest of the year. Once the GAO receives the letter, approval will be considered by the GAO and the Governor's Office of Strategic Planning and Budgeting (OSPB). **To accommodate the year-end schedule and in order to make possible adjustments to FY08 appropriation loads, this letter should be submitted to the GAO by May 11, 2007.**
7. Fiscal year-end closing instructions may be found on the GAO website at www.gao.state.az.us under Publications/AFIS Information.
8. These fiscal year-end procedures do not address payroll transactions. A separate memorandum will be issued for year end payroll procedures.

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

Thank you.

DCP:dc:sa

cc: Chief Financial Officers

Attachments: Year-End Instructions
FYE07 Calendar

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CREATE NEW YEAR PROFILES

Creation of the new fiscal year profiles affects only those profiles with appropriation year (AY) or fiscal year (FY) in the key field (i.e. Agency, AY, and appropriation number are the key fields on the appropriation profile, the AFIS screen S020). These profiles are copied from AY/FY "07" and established with AY/FY "08" if the profiles are active and the effective end dates are greater than 6/30/2007. For those agencies that utilize coding combinations, applicable profiles (S024A, S024B, S026A and S026B) will be created as part of this process. More information about coding combinations is available on the GAO website at <http://www.gao.state.az.us/publications/Afis/index.asp>.

After the new AY/FY year profiles are created on April 6, 2007, the agencies may start making changes to these profiles to meet the appropriation and budget loading requirements as well as their own reporting and budget tracking needs. **Please note that once the FY08 appropriations are loaded, changes may not be made to the related profile structures.**

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

Two profile reports, DAFQA030 (Program Hierarchy) and DAFQA040 (Organization Hierarchy), **will be generated and made available in Control-D on April 9, 2007**, for agency review and a starting point of possible changes for the new fiscal year. Off-line agencies should contact the Central Service Bureau (CSB) to make appropriate arrangements to obtain their reports.

NON-APPROPRIATED REPORTING

As reported in FY06 Closing Instructions, Laws 2005, Chapter 331, added ARS § 35-123 requiring an annual report for non-appropriated receipts and expenditures. Beginning in FY07, the AFIS appropriation profile S020 for non-appropriated monies will be used to compile this report. This may require changes to each agency's Type 3 appropriation profiles (non-appropriated funds) on a phase-in basis. The GAO will be contacting the agencies directly to discuss suggested changes. No additional requirements for the full version report was indicated in the bill, however the GAO has been working to bring all agencies into the report by the FY08 reporting period. The yearly report is due on December 1.

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

HRIS LABOR DISTRIBUTION

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

Since the first payroll compute of the new Fiscal Year 2008 will take place on July 3, 2007, any new labor distribution profiles should be set up in the AFIS no later than June 22, 2007 to allow timely update of the HRIS Accounting Units, Activities, and Account Categories. The GAO will change the Sub-account for all active positions on Position form (XP02 or ZP02) and Payroll Distribution – Payroll form (XR23.3) (if applicable) from 2007 to 2008 on June 23, 2007. This will allow the agencies to start entering time records for the upcoming payroll beginning on June 27, 2007. However, you will need to ensure that the payroll handwrites processed June 25, 2007 through June 29, 2007 are not charged to 2008 labor distribution.

For more information about HRIS Labor Distribution, please contact Yesenia Mejia at (602) 542-3972 (Yesenia.Mejia@azdoa.gov).

TREASURER DEPOSITS

It is extremely important that FY07 deposit receipts, **except direct deposits**, are entered on-line and documents are in the Treasurer's Office no later than **2:00 p.m., June 29, 2007** (please see Direct Deposit section on page 7). If the deposits are entered by the GAO, then all documents must be delivered to the GAO by **10:00 a.m. on June 29, 2007**. In all cases, the deposits should be prepared and delivered as monies are received. Batches brought to the Treasurer's Office on June 29, 2007, should have batch headers and effective dates of 6/29/07 or 6/30/07.

FY07 ENCUMBRANCES

All encumbrances and encumbrance adjustments for FY07 **must be entered by 8:00 p.m. on June 29, 2007**, including encumbrances that apply to goods and/or services that may not be paid before year-end closing. All agencies should review the AFIS S64A – 'Status of Enc/Pre-Enc/Receivables' or their encumbrance reports (DAFR6240) to reduce or cancel encumbrances that are excessive or no longer needed. This will provide additional appropriated funds for payment of other obligations. **Please do not liquidate encumbrances for goods and/or services that were ordered and received in FY07 for which claims were not processed prior to year-end closing.**

On July 20, 2007, all prior year encumbrances will be liquidated and will not be available until August 6, 2007, when the program is executed to re-establish those encumbrances and pre-encumbrances with continuing appropriations or with the appropriations that are subject to administrative adjustments in the new fiscal year. The batches for these encumbrances and pre-encumbrances will be processed in FY08 after FY07 is closed and the Document Financial Table is purged. **If an encumbrance or pre-encumbrance number is established in FY07, the same number cannot be used in FY08 until FY07 is closed and the encumbrances/pre-encumbrances are purged from the Document Financial Table. According to our fiscal year-end calendar, the Document Financial Table will be purged on August 2, 2007.**

NOTE: The encumbrances established in FY07 cannot be used for FY08 purchases during the 13th month processing. For example, an encumbrance established on 06/02/07 may only be used with transactions that have an effective date of less than 07/01/07.

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

CREDIT CARD CLEARING FUND (FUND 2600)

For those agencies currently accepting credit card payments, Credit Card Clearing Fund (Fund 2600) must be reconciled by 6/29/07. Necessary steps should be taken to ensure that transactions posting to this fund are transferred out to the applicable fund(s) in a timely manner. The GAO recognizes that there may be credit card transactions posting to Fund 2600 on 6/29/07 and that these transactions will need to be transferred in the 13th month period. Refer to Cash Control Summary Inquiry (AFIS S057) to check the cash balance in Fund 2600 and reconcile against the Favorable and Unfavorable Credit Card Adjustment forms that have been provided by the State Treasurer's Office.

The Annual Credit Card Report must be submitted by October 1. This report details the number of credit card transactions, the revenue collected via credit cards, and the dollar amount of credit card transaction fees for the preceding fiscal year. The report is to be filed with the OSPB, the GITA, the JLBC, and the GAO.

HANDWRITTEN WARRANTS

Requests for FY08 handwritten warrants, required by law to be paid on July 1, 2007, must be submitted to the GAO no later than **4:00 p.m., Monday, June 18, 2007**. The **batch date and effective date** should be 07/01/07. These claims **should not** be entered on-line by the agencies. The GAO will input all July 1 handwrites by July 5, 2007.

NOTE: HANDWRITES FOR APPROPRIATED FUNDS WILL BE ISSUED ONLY IF THE APPROPRIATION IS LOADED IN THE AFIS. ANY EXCEPTIONS WILL REQUIRE APPROVAL FROM THE STATE COMPTROLLER.

FY07 APPROPRIATION TRANSFERS

Appropriation transfers for FY07 should be submitted to the GAO, **Attn: Appropriation Group, by 4:00 p.m., June 18, 2007.** These are rarely needed, but may be necessary for potential administrative adjustments. Any appropriation transfer transactions for FY07 received after this date will be processed as soon as possible on a first-in, first-out basis; however, there is no guarantee they can be processed by the June 30th statutory deadline. Also, please ensure that you give adequate consideration for any appropriations requiring review by the Joint Legislative Budget Committee (JLBC).

If you have any additional questions regarding this process, please call Marianne DeMoss at (602) 542-5403 (Marianne.Demoss@azdoa.gov).

FY06 ADMINISTRATIVE ADJUSTMENTS

Administrative adjustments for FY06 should be submitted to the GAO **Attn: Appropriation Group by 4:00 p.m., June 18, 2007.** Any administrative adjustment transactions for FY06 received after this date will be processed as soon as possible on a first-in, first-out basis. However, there is no guarantee that they can be processed by the June 30th statutory deadline. **FY06 transactions not processed by June 30, 2007, will be returned to the agency so they maybe resubmitted with the necessary documentation as Relief Bill items under the provisions of ARS § 35-191.**

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

For more details regarding administrative adjustments, please see Frequently Asked Questions: Q5.

YEAR-END PURCHASING/CONTRACTING

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

- A. Goods and/or services should be procured with the intent to receive them prior to **June 30, 2007.**
- B. If the goods and/or services are received by June 30, 2007, AND the claim can be processed by **July 17, 2007,** then the invoice will be paid as a routine 13th month transaction.
- C. Generally, goods and/or services ordered by June 30, 2007, but received after **July 1, 2007,** may be paid out of the FY07 appropriation IF **all four** of the following conditions are met:
 1. The expenditure is valid for the FY07 appropriation.
 2. The contractual liability relating to the claim was created on or before June 30, 2007. This means the goods and/or services must have been ordered and an encumbrance recorded in the AFIS **on or before June 30, 2007.**
 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, 2007). The written request may be addressed to the ADOA Director, but sent to the State Comptroller, General Accounting Office. **The written request should specify:**
 - a) **When the goods and/or services were ordered,**
 - b) **If and when the encumbrance was recorded,**
 - c) **When the goods and/or services are expected to be received,**
 - d) **Why the goods and/or services were not received by June 30, and**
 - e) **Any references to legislative intent, and other information supporting the written request.**

YEAR-END PURCHASING/CONTRACTING- CONTINUED

D. When it is anticipated that the goods and/or services will not be received on or before June 30, 2007, and a claim cannot be processed until after **July 17, 2007**, the claim may be processed through an administrative adjustment and paid out of the FY07 appropriation if both of the following conditions are met:

1. All of the conditions set forth in C. 1– 4 above are met.
2. In accordance with A.R.S § 35-151, as amended, and § 35-191, all expenditures to be paid as administrative adjustments must be encumbered **regardless of the dollar amount**. These encumbrances are required to be entered and processed in the AFIS by **June 29, 2007**. There may be facts and circumstances that do not fit within this policy. If so, please contact your GAO liaison to coordinate the resolution. Please review the State of Arizona Accounting Manual, Section II-L on Year-End Contracting and Prior Period Payments for more details.

For more details regarding Year-End Purchasing/Contracting, please contact Marianne DeMoss at (602) 542-5403 (Marianne.DeMoss@azdoa.gov). Please refer to Frequently Asked Questions: Q2, Q3, and Q4.

JUNE CLOSING

The month of June will be closed on **June 29, 2007**, and monthly reports will be generated on **June 29, 2007**. July 1, 2007, marks the beginning of the 13th month period.

FINANCIAL TABLE ROLLOVER

On **June 30, 2007**, the financial tables will be rolled to move the balances from the prior year to the current year. This will make the prior year balances available for inquiry in both FY07 and FY08. It also commences the year-end processing. The following tables are rolled into FY08:

- Agency Budget (S061)
- Appropriation (S020)
- Cash Control (S057)
- Cash Balance (S063)
- Agency Fund (S058)
- Document (S064)
- Grant (S066)
- Project (S080)
- Contract (S068)
- General Ledger *(S065)
- MIS Tables (84B,C,D)
- Fixed Asset Financial (S071)

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

13TH MONTH (ADJUSTMENT) PERIOD

During the 13th month period, transactions for both FY07 and FY08 may be processed simultaneously in the AFIS. The **effective dates** used on the transactions determine the FY in which the transactions are posted. To ensure smooth processing and avoid confusion, **prior year and current year transactions should be batched separately**. Except for the days that are scheduled for special runs, the AFIS will run five times a week and be available Monday through Friday as shown on the schedule in Exhibit A on page 13. For more on this topic, refer to Frequently Asked Questions: Q8.

NOTE: PLEASE BE SURE TO READ THE AFIS "NEWS" SCREEN EACH DAY DURING THE ADJUSTMENT PERIOD AND/OR CHECK THE AFIS HOTLINE FOR UP TO THE MINUTE INFORMATION. Please inform other affected areas/personnel in your agency of the possible new messages. You can also use the AFIS Hotline number to get the latest update on the AFIS. The AFIS Hotline number is (602) 542-AFIS (2347). Any unusual circumstances or unscheduled events will be communicated to the agencies as quickly as possible via the AFIS "NEWS" screen and the AFIS Hotline.

VARIOUS DATES

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

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

During the Adjustment Period, transactions for FY07, would show these dates:

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

REMINDER: All FY08 documents should show regular July dates in all date fields.

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

CURRENT DATE	13 TH MONTH DATE		CURRENT DATE	13 TH MONTH DATE
7/1/07	6/31/07		7/10/07	6/40/07
7/2/07	6/32/07		7/11/07	6/41/07
7/3/07	6/33/07		7/12/07	6/42/07
7/4/07	6/34/07		7/13/07	6/43/07
7/5/07	6/35/07		7/14/07	6/44/07
7/6/07	6/36/07		7/15/07	6/45/07
7/7/07	6/37/07		7/16/07	6/46/07
7/8/07	6/38/07		7/17/07	6/47/07
7/9/07	6/39/07			

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

ON-LINE TRANSACTION ENTRY

On-line transaction entry will be available for both years during the 13th month (adjustment) period. If another agency must approve and/or release your batches so your transactions are processed before or by the deadline identified on page one of the cover memo, please plan accordingly and coordinate with the other agency.

INVESTMENTS

After June 30, 2007, all investment and divestment transactions will be processed in the current year (FY08). Therefore, any agency that has cash invested with the State Treasurer and needs to use part or all of that cash during the 13th month period for prior year obligations, should process two transactions as follows:

TC	DATE	DESCRIPTION
196	06/29/07	To divest and make cash available
195	07/02/07*	To invest unused cash

TC 196 should be processed on **June 29, 2007**. *TC 195 may be processed on the first processing day of the new FY, which may be July 2, 2007. The GAO intends to have the AFIS up and available as early as possible on July 2, 2007 to provide time for investments.

It is important that agencies plan their 13th month cash needs and divest the amount needed on or before June 29, 2007. The cash not needed may immediately be re-invested on July 2, 2007 if the AFIS is available.

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

CASH BALANCE

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

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

Therefore, when a cash-reducing transaction is processed in the prior year, the cash is checked in both prior (FY07) and current (FY08) years to ensure that there is sufficient cash. **A payment will not be issued for a prior year claim if there is not sufficient cash in both years.**

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

WARRANT CANCELLATION

When submitting a warrant cancellation request during the 13th month, please clearly indicate the fiscal year in which the warrant should be cancelled. If not indicated, and the issuance date is less than 7/1/07, the cancellation will be processed as a 13th month transaction. If the issuance date is greater than 6/30/07, the cancellation will be processed in FY08.

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

DIRECT DEPOSITS

Only direct deposit batches that are dated June 30, 2007 or before will be accepted by the Treasurer's Office, and posted as prior year transactions. All agencies must have the deposit entered on-line and delivered to the Treasurer's Office no later than **2:00 p.m. on July 6, 2007**. **The batch header date for prior year transactions must be 6/31/07 and the effective date for each line item must reflect 13th month dates (6/31/07 or greater, but always less than 7/1/07)**. All agencies making direct deposits should note the name, location of the agency, and depositor telephone number on the face of the bank deposit slip.

CLAIMS

FY07 claims may be entered **and** released by the agencies up until **8:00 p.m., July 17, 2007**. Transactions that require enter and/or release by the GAO must be delivered to the GAO by **2:00 p.m., July 13, 2007**.

Prior year claims that are posted during the adjustment period will record the accrued expenditures in the prior year. The payment liquidation transactions (which will credit accrued expenditures and debit cash expenditures) for these prior year claims will be recorded in the current year (FY08). **Exception: For lapsing appropriations, both the claim and the payment liquidation transactions will post in the prior year.**

REMINDER: In compliance with A.R.S § 35-190, claims for AY07 are valid only for payments of obligations incurred during FY07. **The statute requires goods or services to be received on or prior to June 30, 2007 before the appropriations lapse.**

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

CAPITAL PROJECT CLAIMS

To ensure a more effective and efficient processing of capital project claims, please hand deliver these claims to ADOA, General Services Division, Capital Projects Construction Office for review and approval **before** submitting these claims to the GAO by **2:00 p.m., July 13, 2007**. For more information you may contact Arabinda Ghosh, Chief Engineer at (602) 542-4438.

PURCHASE CARD CLAIMS

The charges on the 7/14/07 American Express statement (billing period from 6/14/07 through 7/13/07) are likely to include charges that apply to both FY07 and FY08. Separate warrants will be generated for each fiscal year's charges. In order to ensure proper posting of the payment to your American Express account, both warrants must be mailed together with the remittance advice. The payments must total the amount due to American Express, shown on the consolidated statement. The GAO does recommend using ACH as a method of payment for the purchase card. The agency can generate multiple ACH claims to American Express, but remember to include the load number in the description field. This will help American Express differentiate between agency payments.

In order to expedite payment to American Express, if an agency is unable to complete a reconciliation of all charges before the cutoff dates as listed below, they should consider paying each fiscal year's charges from a single funding source for each FY. The agency should then do a transfer to allocate the charges to the appropriate funding source through the administrative adjustment process. This will ensure that payment is made within the 14-day remittance cutoff. If the total amount due is not received by American Express within the 14-day remittance cutoff (7/27/07), it **MUST** be received by 8/13/07 (the 30-day remittance cutoff), or the agency will be assessed a delinquency fee.

Charges for goods and services received through 6/30/07 (FY07)

Charges for goods and services received through 6/30/07 will pertain to FY07, and must be paid out of AY07 funds (or prior if applicable). In order for American Express to receive the payment by the 14-day remittance cutoff of 7/27/07, a claim must be processed and the payment must be generated **prior to 7/19/07**. On 7/20/07, all FY07 encumbrances will be liquidated in AFIS, so any claims that reference a FY07 encumbrance cannot be processed until 8/6/07 when those encumbrances are re-established.

PURCHASE CARD CLAIMS - CONTINUED

If a payment for the FY07 charges is not generated prior to 7/19/07, the agency must wait until 8/3/07, when the prior year encumbrances are re-established, and pay the claim as an administrative adjustment. The GAO will make every effort to expedite the payment, but cannot guarantee an immediate turn-around. The GAO does not recommend this option because if payment is not received by American Express by 8/13/07, a delinquency fee will be applied.

Charges for goods and services received on or after 7/1/07 (FY08)

Charges for goods and services received on or after 7/1/07 will pertain to FY08, and must be paid out of AY08 funds (or prior if applicable). Payment for these charges must be made with a separate warrant (separate from the charges that apply to FY07). In order for American Express to receive the payment by the 14-day remittance cutoff of 7/29/07, a claim must be processed and the warrant must be generated prior to 7/28/07. The FY07 encumbrance liquidation will not affect this transaction.

TRAVEL CLAIMS

Agencies that enter **and** release their own travel claims may do so until **8:00 p.m., July 17, 2007**. For agencies whose travel claims require enter and/or release by the GAO, claims **must** be delivered to the GAO by **2:00 p.m., July 13, 2007**.

ACH PAYMENTS

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

FY08 APPROPRIATIONS

FY08 Appropriations will be loaded into the AFIS in accordance with the General Appropriations Act(s). Generally, each line item in the act will have one appropriation number, but the line item may have more than one funding source. Non-General Fund appropriations or General Fund appropriations without P/Ss or EREs are allotted 25% per quarter. General Fund appropriations with P/Ss and EREs are allotted 36%, 21%, 21%, and 22% per quarter. **If any other method is necessary, a letter must be sent annually to the State Comptroller at the GAO stating: (1) why a different allotment amount needs to be available in the first quarter or otherwise allocated differently and (2) how your agency will provide for operations throughout the rest of the year. Once the GAO receives the letter, the GAO and the OSPB will consider it for approval. To accommodate the year-end schedule and in order to make possible adjustments to FY07 appropriation loads, this letter should be submitted to the GAO by May 11, 2007.**

Please note that the first appropriation load for FY08 is tentatively scheduled for May 25, 2007. If the General Appropriations Act has not been enacted by that time, a revised date will be provided.

BUDGET LOADING

As established in prior years, the Governor's Office of Strategic Planning and Budgeting (OSPB), in conjunction with the GAO, is requiring that all state agencies load their FY08 budgets into the AFIS in a manner consistent with the way the agency's budget request was submitted to the OSPB. Budget loading at this level is also consistent with the General Appropriations Act, which requires agencies with lump sum appropriations to report actual expenditures in a format similar to the hierarchy used for budgetary purposes. Although this request specifies a minimum level of budget loading, it encourages agencies to allocate budgets at lower operational levels than those used for budget submittal purposes. Also, the budgetary amounts loaded should include the General Appropriations Act, as well as any supplemental bills or special legislation, which may have been enacted containing a separate appropriation. Your GAO liaison will also be available for any assistance you may need with loading your agency budget in order to enable you to better control your budget, and to provide the budget offices (JLBC and OSPB) with the information they may need for the budget processing. **Please do not enter budgets on-line before July 1, 2007.** A separate memorandum regarding budget structure and loading is scheduled for issuance by the beginning of the new fiscal year.

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

FEDERAL FUNDS DRAW-DOWN

Federal funds under single letters of credit deposited with Bank of America on or before **June 29, 2007**, will be considered prior year transactions and must be delivered to the Treasurer's Office by **2:00 p.m. on June 29, 2007**. The batch and effective dates should be 6/29/07 or 6/30/07.

FEDERAL GRANT YEAR-END INSTRUCTIONS

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

In accordance with the State of Arizona Accounting Manual Section II-M, Subsection V.A.17 (page 15), each agency must reconcile its internal accounting records to the AFIS on a monthly basis. It is essential that the information on the DAFR8400 be properly stated. This report should agree with your agency's "in-house" records, i.e. grant structure, expenditures for grant numbers/phases, Catalog of Federal Domestic Assistance (CFDA) numbers. Any errors should be corrected prior to the 13th month (adjustment) period close. If errors are not corrected prior to the 13th month close, you must submit a reconciliation and a plan of action on how you will correct the AFIS (or your "in-house" records as the case may be) to the GAO – Federal Funds Section by **September 1, 2007**. See the Federal Grants section of the Closing Package Manual for more information. **If you are not able to view the DAFR8400 in Control-D, please contact your GAO liaison. Off-line agencies should contact the Central Services Bureau (CSB) to make appropriate arrangements for this report.**

If you prefer to verify your grant information on-line, you may use the AFIS screen 'S66A', Status of Grant. Enter the following information on the AFIS 'S66A': your Agency Code; Grant No/Ph; Inq Optn: **R** for revenue, **B** to verify expenditures versus budget, (**B** will include the accrued expenditures. **R** will not include the accrual expenditures.); Inquiry Type: MY; Inquiry Year: 07; Inquiry Month: the most current month. Please remember that the SEFA information will be listed by the CFDA number. Please verify that the CFDA and DUNS number is correct for each corresponding grant number on the DAFR8400 (or screen 'D47', Grant Number Profile). If the CFDA is not correct, this information must be corrected prior to the 13th month close. If you do not know what the correct CFDA number should be, refer to your grant award materials or contact the GAO – Federal Funds Section – Celine Baker at (602) 542-6249 (Celine.Baker@azdoa.gov).

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

APPROPRIATED FEDERAL GRANT YEAR-END INSTRUCTIONS

If your agency has Federal grants that are appropriated by the State Legislature and you need to make a FY07 payment during the 13th month (adjustment) period, your claim must be submitted to the GAO by **2:00 p.m., July 13, 2007**. As described in the State of Arizona Accounting Manual Section II-M, Subsection IV.D (page 4), compliance with the Federal Cash Management Improvement Act (CMIA) requires that "cash advances to a State shall be limited to the minimum amounts needed and shall be timed to be in accord only with the actual, immediate cash requirements of the State in carrying out a program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual cash outlay by the State for direct program costs and the proportionate share of any allowable indirect costs." Therefore, cash should **not** be drawn down in June in anticipation of payments during the 13th month (adjustment) period, but should be closely timed to the actual payment. Edits in the system will not allow these payments to process since there is an insufficient 13th month cash balance. Provided that there is enough cash in the new fiscal year, a fund override is needed for the 13th month (adjustment) period payments to process.

LAPSING APPROPRIATIONS

Lapsing (non-continuing) appropriations that were established in FY07 will be available for administrative adjustment expenditures after year-end closing. Encumbrances that were established for these appropriations in FY07 will also be available in the new fiscal year after the 13th Month (adjustment) period is closed. All administrative adjustment transactions for AY07 appropriations will continue to be recorded using AY07 Indexes, PCAs, etc.

LAPSING AND CONTINUING APPROPRIATIONS

Lapsing appropriations are subject to reversion of appropriation authority if the effective end date on the Appropriation Number Profile (S020) is equal to or less than 6/30/07. These lapsing appropriations will be closed out and related encumbrances will be liquidated and not re-established. Continuing (non-lapsing) appropriations are carried forward if the effective end date on the Appropriation Number Profile (S020) is greater than 06/30/07. Continuing appropriations will be available for expenditure in both years during the adjustment period. During the adjustment period and after the close of FY07, all transactions for AY07 appropriations will continue to be recorded using AY07 Indexes, PCAs, etc. During the 13th month (adjustment) period, expenditures made in the prior year will update prior year tables as well as the current year tables. However, expenditures made in the current year will update the current year tables but not the prior year tables.

When using the AFIS on-line inquiry screens to obtain inception-to-date balances, the year '07' should be entered in the 'Inq Year' field. If only prior year information is desired, enter '06' in the 'Inq Year' field.

The table below shows the FY07 and FY08 treatment of appropriations with appropriation years less than or equal to 07 for both continuing and lapsing appropriations.

Appropriation Type	Effective End Date	FY07 Use	FY08 Use
2- Continuing	> 6/30/07	Can be used in FY07	Can be used in FY08
2- Continuing	≤ 6/30/07	Error- No Activity	Error- No Activity
1- Lapsing	>6/30/04 and ≤ 6/30/06	Error- No Activity (Relief Bill)	Error- No Activity
1- Lapsing	≤ 6/30/07	Error- No Activity	Error- No Activity
1- Lapsing	= 6/30/08	Can be used in FY07	Admin Adjustment

BIENNIAL APPROPRIATIONS

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

REVOLVING FUNDS

You may use your revolving fund as specified by the State of Arizona Accounting Manual and by statute through the end of FY07 and into the next year. Consistent with regular disbursement policies and procedures, claims to reimburse revolving funds are to be charged to the FY in which the expenditure was incurred (when goods or services were received). A copy of the June 30 bank and revolving fund reconciliation must be submitted to the GAO, Attn: Appropriation Group as required by Section II-C-2, Subsection IV.G. (page 9) of the State of Arizona Accounting Manual, no later than **July 30, 2007**.

FIXED ASSET SUBSYSTEM

The Fixed Asset Subsystem (FAS) must be updated in a timely manner, preferably immediately after the claims are successfully processed. The timeliness of this updating is especially important and critical during the 13th month (adjustment) period. The agencies must update the FAS prior to the close of **FY07** with the information related to the assets that are received on or before June 30, 2007, and paid for in **FY07**. Therefore, the Fixed Asset Hold file for **FY07** assets must be reconciled by **July 18, 2007**. This means that after the claims are successfully processed, the agencies must update the FAS with the Property information by using the AFIS S073 for **FY07** assets. Agencies that do not have all their fixed assets on the FAS or whose fixed asset listing is not current as of the close of FY07 will be required to complete the Closing Package for fixed assets. **This will require the agency to provide to the GAO a listing of their fixed assets with the associated depreciation schedules in addition to the other schedules currently required in the Fixed Asset Closing Package.**

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

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The Governmental Accounting Standards Board (GASB) establishes standards for financial accounting and reporting for state and local governments. Agencies should ensure that financial information provided to the GAO for inclusion in the Comprehensive Annual Financial Report (CAFR) is in accordance with these standards. The GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, goes into effect for fiscal year ended June 30, 2007.

CLOSING PACKAGE

All agencies must complete and submit the General Survey and Checklist (Form 60) to the GAO - GAAP Section by July 6, 2007. State agencies that submit audited financial statements to the GAO do not need to complete any part of the closing package. A separate letter will be sent to those agencies. It is important that your auditors are informed that they must complete their audit report and submit it to the GAO by the requested date. Specific information on the closing package may be found in the State of Arizona Accounting Manual Volume II/Closing Package, rev. 4/97 or on the GAO website at www.gao.state.az.us, under the "Publications" tab.

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

INTERNAL TRANSACTION FILE

Each agency is responsible for clearing its prior year transactions residing in the Internal Transaction (IT) file before year-end close. The IT file consists of all the batches that have not been fully posted to the Accounting Event Table. This includes batches on error, batches on hold and batches with claims waiting for warrant generation. The IT file can be viewed by selecting option 'D' Data Entry of Financial Transactions, from the main menu and then selecting option '53' View Batch Headers. **All of the Prior Year batches must be cleared by July 18, 2007.**

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

All transactions in Edit Modes of '0', '1', and '3' that are not released or corrected **will be deleted** prior to the close of FY07.

CONTROL-D REPORTS

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

ADJUSTMENT PERIOD OPERATING SCHEDULE

During the year-end processing we will have a batch run every night. The AFIS on-line screens will be up from 6:00 a.m. to 8:00 p.m. with a few exceptions. The two main exceptions are July 2, 2007, and July 27, 2007. We anticipate having the on-line screens available early on July 2, 2007. However, unforeseen technical problems from the Financial Table Roll may prevent that from occurring. We will **definitely** have on-line screens down on July 27, 2007, to assist with the General Ledger Close. Below is a list of important dates followed by Exhibit 'A' showing the 13th month operating schedule:

Year-End Operating Event	DATE
Appropriation Load (Tentative)	May 25
Close Month of June	June 29
Financial Table Roll	June 29
Issue June monthly reports	June 29
First Batch Run for FY07	July 2
Encumbrance Liquidation	July 20
Appropriation Reversion for Lapsing Appropriations	July 24
General Ledger Close	July 26
Close 13 th Month and FY07	July 27
Generate Year-end Reports and 13 th Month Reports	July 27
Re-establish Enc/Pre-Enc for continuing appropriations in the new year and those subject to administrative adjustments	August 3
Close July	August 3
Generate July monthly reports	August 3
Re-established encumbrances available for use	August 6

EXHIBIT A

13TH MONTH OPERATING SCHEDULE

WEEK OF	M	T	W	TH	F
JUNE 25	A, B	A, B	A,B	A,B	A, B
JULY 2	M, B	A, B	H	A, B	A, B
JULY 9	A, B	A, B	A, B	A, B	A, B
JULY 16	A, B	A, B	A, B*, F	A, B*	A, B*
JULY 23	A, B*	A, B*	A, B*	A, B*	S, B*
JULY 30	A, B*	A, B*	A, B*	A, B*	A, B*

- A = On-line Available
- B = Batch Run
- F = Last Fixed Asset Reconciliation for FY07
- H = Holiday, System Down
- S = Special Run, System Down
- M = Special Run, System may be down all or part of the day
- * New Fiscal Year Transactions Only.

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

FREQUENTLY ASKED QUESTIONS

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

Q1: Can I still enter the encumbrance for a FY07 13th month expenditure after the June 29th deadline?

A: All encumbrances and encumbrance adjustments for FY07 **must be entered by 8:00 p.m. on June 29, 2007** (refer to the **State of Arizona Accounting Manual, Section II-L**).

Q2: Can I still enter the encumbrance for an administrative adjustment period FY07 expenditure after the June 30th deadline?

A: In accordance with A.R.S § 35-151, as amended, and § 35-191, all expenditures to be paid as administrative adjustments must be encumbered **regardless of the dollar amount**. These encumbrances are required to be entered and processed in the AFIS by **June 29, 2007** (refer to the **State of Arizona Accounting Manual, Section II-L**). There may be facts and circumstances that do not fit within this policy. If so, please contact your GAO liaison to coordinate the resolution. Please review the **State of Arizona Accounting Manual, Section II-L, on Year-End Contracting and Prior Period Payments** for more details.

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

A: Yes, you must obtain written approval to pay for goods and services ordered in one fiscal year but not received until the next fiscal year. (Note: ADOA approval is not required for goods or services that are **both ordered and received** prior to June 30, 2007).

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

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

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

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

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

FREQUENTLY ASKED QUESTIONS (CONTINUED)

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

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

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

Q6: Why was my encumbrance not re-established?

A: Program DAFM348 performs the following:

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

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

A: If an encumbrance/pre-encumbrance number is established in FY07, the same number cannot be used in FY08 until FY07 is closed and the encumbrances or pre-encumbrances are purged from the Document Financial Table. According to our fiscal year-end calendar, the Document Financial Table will be purged on August 2, 2007. In addition, the same number cannot be used for those encumbrances, which were created in FY07 and carried forward to FY08.

Q8: I have included a FY07 transaction in the batch with all FY08 transactions. Do I need to delete that transaction from the batch?

A: No, it is not necessary. During the 13th month, transactions for both FY07 and FY08 may be processed simultaneously in the AFIS. The effective dates used on the transactions determine the fiscal year in which the transactions are posted. To ensure smooth processing and avoid any confusion, **prior year and current year transactions should be batched separately. This is accepted as a good practice and it is strongly recommended.** However, if transactions for FY07 and FY08 were erroneously included in the same batch, as long as the effective date on each transaction reflects the proper year, the system will process them both and they will be posted to the proper years. **The effective date on the transaction, not on the batch header effective date, determines into which FY the transactions are being posted.** During the 13th month (adjustment) period, transactions for the prior year **should** have a **Batch Date** of **06/31/07**. The **Effective Date must be 06/31/07 or greater but always less than 07/01/07.** This will cause the transaction to post to FY07.

NOTE: State Treasurer's Office deposits cannot contain both FY07 and FY08 items within a batch.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

Q9: I have incorrectly used a non-13th month effective batch date on the batch. Does this mean that all those transactions will post to FY08 instead of to FY07?

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

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

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

CURRENT DATE	13 TH MONTH DATE		CURRENT DATE	13 TH MONTH DATE
7/1/07	6/31/07		7/11/07	6/41/07
7/2/07	6/32/07		7/12/07	6/42/07
7/3/07	6/33/07		7/13/07	6/43/07
7/4/07	6/34/07		7/14/07	6/44/07
7/5/07	6/35/07		7/15/07	6/45/07
7/6/07	6/36/07		7/16/07	6/46/07
7/7/07	6/37/07		7/17/07	6/47/07
7/8/07	6/38/07			
7/9/07	6/39/07			
7/10/07	6/40/07			

Q11: I have divested cash on July 2, 2007, to pay a 13th month claim. I can see the increased cash balance on the AFIS screen S057 , but I still get an error indicating insufficient cash for my transaction ...why is that ?

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

It is important that agencies plan their 13th month cash needs and divest the amount needed on or before June 29, 2007. The cash not needed may immediately be re-invested as soon as the AFIS comes up after the Financial Table Roll. The GAO anticipates that the AFIS will be available on July 2, 2007.

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

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

If the appropriation effective end date is less than or equal to 6/30/07, then the payment liquidation transaction (TC 380 or 481) will post to FY07 and that will be carried forward to the current fiscal year. The payment liquidation transaction is the transaction that will reduce the cash balance shown on the cash control summary inquiry screen (S057).

If the appropriation effective end date is greater than 6/30/07, then the payment liquidation transaction (TC 380 or 481) and therefore the cash reduction on S057 will post to FY08. Also, the general ledger trial balance screen (S65A) will display the balance of 13th Month transactions at year-end. If there is a balance in GL 1211 as of the end of the fiscal year (inquiry month = 13), then it is attributable to claims using appropriations with effective end date greater than 6/30/07.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

Q13: Who will load my appropriation and budget?

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

Q14: Can I request warrant cancellations during the 13th month (adjustment) period?

A: Yes, when submitting a warrant cancellation request during the 13th month (adjustment) period, please clearly indicate the fiscal year in which the warrant should be cancelled. If not indicated, and the warrant issuance date is less than 7/1/07, the cancellation will be processed as a 13th month transaction and the cash balance in FY07 will be increased. If the warrant issuance date is greater than 6/30/07 (i.e. the issuance date is 7/1/07), the warrant will be cancelled with a FY08 effective date, and the cash in FY08 will be increased.

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

A: No, you cannot change the effective date from one fiscal year to another. For example, if you have keyed a transaction with the effective date of 7/6/07 (FY08), and now you have discovered that it should be changed to an effective date of 6/35/07 (FY07), **you will not be able to make that change.** Fiscal year, which is derived from the effective date, is a key field on the document tracking table, and it cannot be changed when entered. You will need to delete the transaction and then re-enter it with the proper date.

Q16: Can I process a transfer in which one side of the transfer affects the 13th month (for example effective date = 6/32/07) and the other side affects the new Fiscal Year (effective date = 7/3/07)?

A: No, since the net cash effect on the transfer should always be zero within any fiscal year, transfers between two different fiscal years are not allowed. Please note that the FY is dictated by the effective date of the transaction (date 6/32/07 = FY07, but 7/3/07 = FY08). The term "fiscal year" (FY) should not be confused with the term "appropriation year" (AY).

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

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

1. In the 13th month, complete a hard copy Automated Use Tax transfer as per the procedures established by the DOR. Use TC257 as the transaction code and process as an administrative adjustment. This transaction must be encumbered.
2. Attempt to process the transfer using appropriation year 2007 in July, fiscal year 2008. **(Please note that the GAO will not release this transfer until after the 13th month is closed).** The AFIS will reject the use of TC257 in this transaction and an on-line message will indicate the applicable result. **Print the screen after you receive the error message related to the encumbrance or the message indicating the transaction successfully posted.** This will provide the DOR the proof that payment was attempted before the due date of the use tax.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

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

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

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

Please refer to the DOR memo dated November 28, 2005 for the online procedures on how to handle Automated Use Tax transfers during the year-end period. If you have any additional questions regarding this process, please call either Cathy Collins (602) 716-6590 or Tom Piner (602) 716-6319 at the DOR.



GENERAL ACCOUNTING OFFICE
CALENDAR FOR FYE07

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
24-Jun	25-Jun	26-Jun	27-Jun	28-Jun	29-Jun	30-Jun
System up	System up	System up	System up	System up	System up Close month of June Roll the financial tables Run June monthly reports	
1-Jul	2-Jul	3-Jul	4-Jul	5-Jul	6-Jul	7-Jul
System may be up Verification of financial tables	System up Processing both FY's	Holiday		System up Processing both FY's	System up Processing both FY's	
8-Jul	9-Jul	10-Jul	11-Jul	12-Jul	13-Jul	14-Jul
System up Processing both FY's	System up Processing both FY's	System up Processing both FY's	System up Processing both FY's	System up Processing both FY's	System up Processing both FY's	
15-Jul	16-Jul	17-Jul	18-Jul	19-Jul	20-Jul	21-Jul
System up Processing both FY's	System up Processing both FY's Last day for PY transactions; claims, transfers, and journal vouchers Fixed Asset final input (FY07)	System up New FY transactions only Final F/A reconciliaton FY07 Clear 'IT' file for PY trans.	System up New FY transactions only PY error corrections June & Month 13 Fixed Asset Depreciation	System up New FY transactions only IT File closed at 3:30 PM DAFM348 - liquidate FY07 enc.		
22-Jul	23-Jul	24-Jul	25-Jul	26-Jul	27-Jul	28-Jul
System up New FY transactions only Correct encumb liq. trans No PY encumbrances	System up New FY transactions only No PY encumbrances 'IT' closed at 3:30 PM DAFM359 - approp lapse & carryforward	System up New FY transactions only No PY encumbrances Correct approp lapse trans.	System up New FY transactions only No PY encumbrances 'IT' closed at 3:30 PM DAFM351 - close G/L	System down Correct close G/L transactions Delete FY07 trans from 'IT' file Close 13th month & FY07 Run 13th month reports No PY encumbrances		
29-Jul	30-Jul	31-Jul	1-Aug	2-Aug	3-Aug	4-Aug
System up New FY transactions only	System up New FY transactions only	System up New FY transactions only	System up New FY transactions only	System up New FY transactions only Purge Doc. Fin. table	System up New FY transactions only Close July & run monthlies Re-establish old encumbrances Purge G/L	

- Month of July will be closed on 8/3/07.
- The prior year encumbrances & pre-encumbrances will be re-established on 8/03/07 and will be available for use on 8/6/07.

GAO - Valued employees committed to quality service.