



**Fiscal  
Year-End  
Process**

**Office of Accounting**

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## I. Introduction

The University of Texas operates on a 12-month fiscal year which runs from September 1 to August 31. Budgets, appointments, and external reporting are all done for this 12-month period. A lot of accounting activity takes place as the old fiscal year ends and the new fiscal year begins. This outline explains what happens during this time.

### Overview of what happens at year-end

The accounting records for the old fiscal year are adjusted and closed, and the accounting records for the new fiscal year are opened. The balances which exist at the end of the old fiscal year are brought forward into the new fiscal year.

The Office of Accounting also prepares the Annual Financial Report (AFR) for UT Austin and University of Texas System. These reports are combined with other UT campuses into the Consolidated Annual Financial Report for the UT System. This consolidated report is then combined with other state agency reports into the Texas Annual Financial Report.

In order to make these reports meet accepted accounting principles (GAAP) and other state requirements, various adjusting and closing entries are required. These include various accrual entries which are done to match income and related expenses for the same time period. These entries are referred to as roll forward and roll back entries.

### A. Accounts

Accounting transactions are recorded in 10-digit subsidiary account numbers. A budget group is a group of subsidiary accounts that have the same first 8 digits.

These are examples of accounts: 19-0220-0151, 19-0220-0175

The first 8 digits indicate the budget group: 19-0220-01

The last 2 digits are a specific subaccount: 51 and 75

In many cases, the same budget groups are used from year to year. Accounting transactions are recorded in these accounts electronically through the \*DEFINE system. In order for transactions to process, budget groups must be set up in each fiscal year.

### B. Account Roll Over

Accounts are specific to fiscal years. Each fiscal year account numbers in the old fiscal year need to be copied (rolled over) into the new fiscal year. The account roll over job is usually submitted by the Office of Accounting once a month starting in September. This job copies a budget group from one fiscal year to the next. It does not copy any accounting transactions! It simply copies the account information (i.e., unit code, signers, and other information) to the new year. The rules on whether an account gets rolled over are fairly complicated. Suffice it to say that before any transactions can be recorded in the new fiscal year, a budget group and its accounts must be setup for that year.

### C. 13th Month

#### 1. What is the 13th month?

The thirteenth month (abbreviated as THR or 13 in \*DEFINE's month field) is a false month which falls between the last month of the old fiscal year and the first month of the new fiscal year. The Office of Accounting uses it to complete year-end entries for reporting purposes. All 13th month transactions are posted with VJR documents and have an 8/31 date.

#### 2. Why have a 13th month?

The Office of Accounting closes its books every month. Once a month is closed, no more accounting activity can be recorded (posted) to that month. For example, once September has been closed, no more September activity can be recorded. All transactions that occur after September closeout will have to be recorded in October.

The last month of the fiscal year, August, must be closed so that any balances that remain can be brought forward into the new fiscal year. If August was not closed, there would be no fixed balance for the Office of Accounting to bring forward. Therefore, August must be closed. It is necessary, however, to keep the fiscal year open so that adjusting entries and closing entries required for reporting purposes can be made. These entries are posted to the 13th month with an 8/31 record date.

Once all adjusting and closing entries are completed and the annual report is finalized, the 13th month is closed. This generally occurs in October.

#### 3. How can I view 13th month transactions?

Some accounts do not have 13th month activity. You can view 13th month transactions by using the **GT1** command and typing **THR** in the **Month** field. Note: Make sure your command line reflects the old fiscal year when you do this!

You can also request a statement of account for the 13th month using the **IF5** command. Note: If you don't receive any output, make sure you submitted the report for the correct fiscal year. If you submitted it in the correct year and still don't receive any output, then there is no activity on the account you requested. You can confirm this by viewing the account on the **GT1** screen.

### D. 14th Month

#### 1. What is the 14th month?

While the thirteenth month is related to the old fiscal year, the 14th month is related to the new fiscal year. It reflects the beginning balance for the new fiscal year. The only transactions that effect the 14th month are balance forward entries.

## 2. Why have a 14th month?

The 14th month provides a picture of what the account looked like at the beginning of the fiscal year. September cannot be used for this purpose since September balances include *all* activity that took place in September, not just the balance forwards.

## 3. How can I view 14th month balances?

Since not all account balances are carried forward, not all accounts will have 14th month balances. You can view balances by using the **GB2** command and typing **BF** or **14** in the **Month** field. Note: Make sure your command line reflects the new fiscal year when you do this!

You can view which transactions make up a 14th month balance by using the **GB1** command. Type an account number in the **Misc** field. Type an **X** next to the balance you are interested in and press ENTER. For additional instructions on how to use the **GB1** screen, press PF6 on the **GB1** screen, or call the Office of Accounting Helpline at 471-8802.

## II. Balance Forwards

### A. What are they?

At the end of the year, remaining balances must be brought forward from the old fiscal year to the new fiscal year. The transactions which do this are called balance forwards. Balance forward entries are posted with **VJB** documents, and the voucher numbers for these transactions start with B. Two sets of balance forwards are done every year: initial balance forwards and adjusted balance forwards.

#### 1. Initial balance forwards

At the end of the fiscal year, the Office of Accounting closes the month of August so that any remaining balances can be moved to the new fiscal year. The balance forwards completed after closing August are referred to as initial balance forwards. The Initial balance forward entries are recorded in September.

#### 2. Adjusted balance forwards

While the Office of Accounting is doing year-end adjusting entries, new fiscal year activity is taking place. In fact, September and October of the new fiscal year will most likely be closed before all prior year adjusting entries are completed by Office of Accounting. Once all adjusting entries have been made, the 13th month is closed and the adjusting entries are brought forward. This set of balance forwards is referred to as adjusted balance forwards. The adjusted balance forward entries are normally recorded in October.

3. Summary

<u>Initial Balance Forwards</u>	<u>Adjusted Balance Forwards</u>
<ul style="list-style-type: none"> <li>• <i>created on VJB documents</i></li> <li>• <i>bring forward August ending balances</i></li> <li>• <i>recorded on the September statement of account</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>created on VJB documents</i></li> <li>• <i>bring forward 13th month activity</i></li> <li>• <i>typically recorded on the October statement of account</i></li> </ul>

**B. Balance Forward Rules**

Each budget group is assigned a balance forward rule on the **CA3** screen. The balance forward rules enable the Office of Accounting to automate the task of creating balance forward documents. The balance forward rule determines how balances will be brought forward. In Figure 1 below, the balances on account 14-1234-56 will be brought forward according to Rule 1.

```

*DEFINE          BUDGET GROUP / ACCOUNT PROFILE - CA3          Year 06 07
Command: CA3    Account: 14123456__ Misc: _____          Month: JUL
=====
Budget Group Titles:                                         Administrators: |Screen: 1
Short: AB - ABC DEPARTMENT_____                          duck2____ DUCK, DONALD
Long: DATA PROCESSING DEPARTMENT_____                    _____
                                                             Group Status: A
-----
Unit: 1234 000          Sponsor: 9999          Fund Group: 100
Rpt Unit: 1234 000     NACUBO: 20          Federal: 40          CFDA: _____
                    Close Rule: 01          Equip Rule: 01      Bal Fwd Rule: 01
                    Travel Rule: 01         UT STATE RULES
Report Codes: _____
Research Type: _ Peer Reviewed: _ Area of Interest: _____
    
```

Figure 1

1. Balance Forward Rule 1

This rule applies to most accounts starting with 14 and 20. This rule brings forward encumbrances and the funds to cover them. See Figure 2.

Note: Some encumbrance balances are closed out at year end. The disencumbrance will appear in August balances and will not be brought forward.

```

*DEFINE                ACCOUNT INFO / BUDGET GROUP - GB2                Year 06 07
Command: GB2          Account: 14123456          Misc: _____          Month: AUG
=====
ABC - ABC DEPARTMENT                More: _ Scr 1 of 8
Ca Ty Pl S          Budget          BF/TR/DI/IN          En/Sc/Sa/AL          Free Balance
-----
01 EX 01 A          949,800.00          949,800.00-
02 EX 02 A          131,770.00          131,770.00-
03 EX 03 A
04 EX 04 A
10 EX 06 A          98,832.00          98,832.00-
20 EX 07 A          6,758.00          6,256.40-          501.60
50 EX 08 A          17,174.00          14,524.57-          1,842.00-          807.43
75 EX 14 A          1,500.00          1,068.62-          431.38
-----
Expend          1,205,834.00          1,202,251.59-          1,842.00-          1,740.41
Income          .00          .00          .00          .00
Total          1,205,834.00          1,202,251.59-          1,842.00-          1,740.41
    
```

Figure 2

Figure 3 below shows the 14th month balances for the same account. Notice that the encumbrance balance and funds to cover it are the only balances brought forward. The overall free balance is zero.

```

*DEFINE                ACCOUNT INFO / BUDGET GROUP - GB2                Year 07 08
Command: GB2          Account: 14123456          Misc: _____          Month: 14_
=====
ABC - ABC DEPARTMENT                More: _ Scr 1 of 8
Ca Ty Pl S          Budget          BF/TR/DI/IN          En/Sc/Sa/AL          Free Balance
-----
01 CL 01 A
02 CL 02 A
03 CL 03 A
04 CL 04 A
10 EX 06 A
20 EX 07 A
50 EX 08 A          1,842.00          1,842.00-
75 EX 14 A
-----
Expend          .00          1,842.00          1,842.00-          .00
Income          .00          .00          .00          .00
Total          .00          1,842.00          1,842.00-          .00
    
```

Figure 3

Since approval must be granted by the Budget Office, re-appropriation of free balances for Rule 1 are on a case-by-case basis. There are some accounts such as Special Equipment and accounts with overdraft balances which are automatically brought forward. Written requests to bring other balances forward must be submitted to the Budget Office.

Figure 4 below shows how a re-appropriation is reflected in the 14th month if approval was granted to bring forward the balance in the travel account 14-1234-5675.

```

*DEFINE                ACCOUNT INFO / BUDGET GROUP - GB2                Year 07 08
Command: GB2          Account: 14123456          Misc: _____          Month: 14_
=====
ABC - ABC DEPARTMENT                More: _ Scr 1 of 8
Ca Ty Pl S          Budget          BF/TR/DI/IN          En/Sc/Sa/AL          Free Balance
-----
01 CL 01 A
02 CL 02 A
03 CL 03 A
04 CL 04 A
10 EX 06 A
20 EX 07 A
50 EX 08 A
75 EX 14 A

Expend          .00          2,278.38          1,842.00-          431.38
Income          .00          .00          .00          .00
Total          .00          2,278.38          1,842.00-          431.38
    
```

Figure 4

2. Balance Forward Rule 14

Rule 14 brings forward the free balance as well as the encumbrances and funds to cover them. It applies to accounts starting with 14 and 20 only if the entire budget group is coming forward. Advanced Research Projects (ARP), Advanced Technology Projects (ATP), and Texas Technology Development & Training (TD&T) accounts and other budget groups which have special funding or special approval to come forward are included in this rule.

Figure 5 below shows how the budget group would be reflected in the 14th month. The re-appropriation of the free balance and the encumbrance are both reflected in the balance forward (BF) column, while the encumbrance is shown in the encumbrance (EN) column. The resulting free balance is equal to the August free balance.

```

*DEFINE                ACCOUNT INFO / BUDGET GROUP - GB2                Year 07 08
Command: GB2          Account: 14123456          Misc: 8751_____          Month: 14_
=====
ABC - ABC DEPARTMENT                More: _ Scr 1 of 8
Ca Ty Pl S          Budget          BF/TR/DI/IN          En/Sc/Sa/AL          Free Balance
-----
01 CL 01 A
02 CL 02 A
03 CL 03 A
04 CL 04 A
10 EX 06 A
20 EX 07 A
50 EX 08 A
75 EX 14 A

Expend          .00          3,582.41          1,842.00-          1,740.41
Income          .00          .00          .00          .00
Total          .00          3,582.41          1,842.00-          1,740.41
    
```

Figure 5

3. Balance Forward Rules 2 & 30

Rule 2 applies to accounts starting with 18, 19, 29, and 41; rule 30 applies to accounts starting with 30. These rules bring forward the total free balance for the budget group in the income account with the lowest sub-account number (for example, a budget group with -93 & -94 subs will have its fiscal year-end free

balance brought forward into its -93 sub). These rules also bring forward encumbrances, assets and liabilities, and the funds to cover them in the individual account where they existed at year end.

Figure 6 below shows August balances for account 18-1234-56. The overall free balance of \$1,601.12 will be brought forward, along with the encumbrance/asset/liability balance of \$690.79 and the funds to cover the encumbrance. Note: Budgets are not brought forward.

*DEFINE		ACCOUNT INFO / BUDGET GROUP - GB2			Year 06 07		
Command: GB2		Account: 18123456	Misc: _____		Month: AUG		
=====							
ABC - ABC DEPARTMENT				More: _ Scr 1 of 8			
Ca	Ty	Pl	S	Budget	BF/TR/DI/IN	En/Sc/Sa/AL	Free Balance
-----							
51	EX	13	A		14,431.87-	690.79-	15,122.66-
95	IN	13	A		16,723.78		16,723.78
-----							
	Expend			.00	14,431.87-	690.79-	15,122.66-
	Income			.00	16,723.78	.00	16,723.78
	Total			.00	2,291.91	690.79-	1,601.12

Figure 6

Figure 7 shows the 14th month balances for the same account. Notice that the free balance of \$1,601.12 was brought forward in the income account (95).

*DEFINE		ACCOUNT INFO / BUDGET GROUP - GB2			Year 07 08		
Command: GB2		Account: 18123456	Misc: _____		Month: 14_		
=====							
ABC - ABC DEPARTMENT				More: _ Scr 1 of 8			
Ca	Ty	Pl	S	Budget	BF/TR/DI/IN	En/Sc/Sa/AL	Free Balance
-----							
51	EX	13	A		690.79	690.79-	
95	IN	13	A		1,601.12		1,601.12
-----							
	Expend			.00	690.79	690.79-	.00
	Income			.00	1,601.12	.00	1,601.12
	Total			.00	2,291.91	690.79-	1,601.12

Figure 7

#### 4. Balance Forward Rules 26 & 37

Rule 26 applies to accounts starting with 26; rule 37 applies to accounts starting with 36. Contracts & Grants and Plant funds are assigned for project periods that do not necessarily coincide with the university's fiscal year. Therefore, accounting balances are maintained on a cumulative basis for the term of the project. All balances for an account are brought forward as they existed at year-end. Note: When a project is completed, the account balances are closed and are not brought forward.

Figure 8 shows August balances for account 26-1234-56.

*DEFINE		ACCOUNT INFO / BUDGET GROUP - GB2			Year 06 07			
Command: GB2		Account: 26123456	Misc: _____		Month: AUG			
=====								
ABC-INVESTIGATOR		FED	09-30-92	FED-123444	More: _ Scr 1 of 8			
Ca	Ty	Pl	S	Budget	BF/TR/DI/IN	En/Sc/Sa/AL	Free Balance	
-----								
12	EX	01	A	10,715.00	7,706.00-		3,009.00	
14	EX	02	A	2,861.00	2,864.62-		3.62-	
50	EX	03	A	1,535.00	983.68-		551.32	
75	EX	03	A	1,100.00	619.06-		480.94	
80	EX	04	A	2,400.00	1,800.59-		599.41	
90	EX	08	A	7,782.00	5,714.37-		2,067.63	
92	IN	10	A	26,394.00-	23,752.00		2,641.00-	
-----								
				Expend	26,394.00	19,688.32-	.00	6,704.68
				Income	26,394.00-	23,752.00	.00	2,641.00-
				Total	.00	4,063.68	.00	4,063.68
				Unbill Rec		19,688.32		

Figure 8

Figure 9 shows the 14th month balances for the same account. Notice that the screens are identical! The account continues from where it left off the previous year.

*DEFINE		ACCOUNT INFO / BUDGET GROUP - GB2			Year 07 08			
Command: GB2		Account: 26123456	Misc: _____		Month: 14			
=====								
ABC-INVESTIGATOR		FED	09-30-92	FED-123444	More: _ Scr 1 of 8			
Ca	Ty	Pl	S	Budget	BF/TR/DI/IN	En/Sc/Sa/AL	Free Balance	
-----								
12	EX	01	A	10,715.00	7,706.00-		3,009.00	
14	EX	02	A	2,861.00	2,864.62-		3.62-	
50	EX	03	A	1,535.00	983.68-		551.32	
75	EX	03	A	1,100.00	619.06-		480.94	
80	EX	04	A	2,400.00	1,800.59-		599.41	
90	EX	08	A	7,782.00	5,714.37-		2,067.63	
92	IN	10	A	26,394.00-	23,752.00		2,641.00-	
-----								
				Expend	26,394.00	19,688.32-	.00	6,704.68
				Income	26,394.00-	23,752.00	.00	2,641.00-
				Total	.00	4,063.68	.00	4,063.68
				Unbill Rec		19,688.32		

Figure 9

### C. Material Encumbrances

Material encumbrances are transactions that have a 0200 object class. These transactions have special balance forward procedures so that departments may know exactly what purchase orders were brought forward from the previous year.

Material encumbrances that remain at year-end are brought forward in a lump sum transaction with a 0299 object class code. This balance forward entry is then split up by individual purchase order numbers in the new year. All of the balance forward entries must total the 0200 balance in the old fiscal year. After the total is split up, the 0299 object code balance should equal zero.

The example below shows the 0200 balance on account 18-1234-5650 is \$700.00. This balance is brought forward to the new year with object code 0299.

09/01/98 B003216 BALANCE FORWARD 0299 RF -700.00

Another entry is made reversing the 0299 transaction, and the \$700.00 lump sum is broken down into individual purchase order numbers with object code 0200.

09/01/98 B003253 BACK OUT 0299 0299 RF 700.00  
 09/01/98 B003253 INSIGNIA SOLUTIONS 0200 RF -300.00  
 09/01/98 B003253 AUSTIN STAMP & STENCIL 0200 RF -400.00

Notice that the net balance on code 0299 is zero: voucher B003216 with a debit of \$700, and voucher B003253 with a credit of \$700. The new year transactions with the 0200 code total to the previous year balance of \$700.

**D. Balance Forward Check**

To double check to see if Balance Forwards worked correctly, look at the **GB2** screen for the 13<sup>th</sup> month of the prior year. Compare this to the ending balance of the 14<sup>th</sup> month of the new fiscal year (early November, after adjusted balance forwards). If they match, balance forwards were done correctly.

Note: You will also want to compare the **GB2** screen for August 06-07 against the 14<sup>th</sup> month of 07-08 after Initial balance forwards in September.

*DEFINE		ACCOUNT INFO / BUDGET GROUP - GB2			Year 06 07		
Command: GB2		Account: 3012345678		Misc: _____	Month: 13_		
=====					Scr 1 of 9		
ME -CHARLIE'S CHOCOLATE FACTORY					Free Balance		
Ca	Ty	Pl	S	Budget/Bud Adj	BF/TR/DI/IN	En/Sc/Sa/AL	Free Balance
-----							
14	EX	02	A		682.46-		682.46-
20	EX	02	A	3,000.00	3,300.00-		300.00-
50	EX	02	A		6,126.07-		6,126.07-
51	EX	02	I				
70	EX	02	A				
71	EX	02	A				
93	IN	02	A	3,000.00-	48,070.67		45,070.67
-----							
	Expend			3,000.00	10,108.53-	.00	7,108.53-
	Income			3,000.00-	48,070.67	.00	45,070.67
	Total			.00	37,962.14	.00	<b>37,962.14</b>

Figure 10

```

*DEFINE          ACCOUNT INFO / BUDGET GROUP - GB2          Year 07 08
Command: GB2    Account: 3012345678    Misc: _____    Month: 14_
=====
ME -CHARLIE'S CHOCOLATE FACTORY                               Scr 1 of 9
Ca Ty Pl S Budget/Bud Adj      BF/TR/DI/IN      En/Sc/Sa/AL      Free Balance
-----
09 EX 01 A
14 EX 02 A
20 EX 02 A
50 EX 02 A
70 EX 02 A
71 EX 02 A
93 IN 02 A                                37,962.14                37,962.14

Expend          .00          .00          .00          .00
Income          .00          37,962.14      .00          37,962.14
Total           .00          37,962.14      .00          37,962.14
    
```

Figure 11

**III. Adjusting Entries**

The Office of Accounting must make various adjusting entries for reporting purposes. These entries include permanent corrections (e.g., object code corrections, account number corrections, or entries to clear overdrafts) and accrual entries. Accrual entries are more complicated than permanent corrections and are discussed in detail below.

**A. Accrual Entries**

Accrual entries include accounts payable, accounts receivable, prepaid expenses, and deferred revenues. These entries are handled in either the roll back or roll forward process; transactions related to one fiscal year are recorded in the other fiscal year. The roll back/roll forward process moves these transactions to the year they are related to for reporting purposes.

Roll back and roll forward are automated processes. \*DEFINE generates the entries based upon the service dates entered on the transactions.

**1. Roll Back**

a. What is roll back?

Transactions processed in the new fiscal year but related to the previous fiscal year (indicated by the transaction service dates) are rolled back to the 13th month on a VJR document and are recorded as old fiscal year activity. Accounts payable and accounts receivable are typical roll back transactions.

b. When does roll back happen?

Please refer to current fiscal year end memo issued by the UT Austin Controller's Office for applicable dates and deadlines.

c. Roll back requirements

In order for a transaction to get rolled back:

- The transaction must be in the new fiscal year.
- The service dates must be from the old fiscal year. If the departmental service dates are filled in, they will override any existing service dates. See the Service Dates section below.
- Please refer to current fiscal year end memo issued by the UT Austin Controller's Office for applicable dates and deadlines.

2. Roll Forward

a. What is roll forward?

Roll forward is the opposite of roll back. Transactions that have been processed in the old fiscal year but are related to the new fiscal year (indicated by the transaction service dates) are rolled forward and recorded as new fiscal year activity. Prepaid expense and deferred revenue are typical roll forward transactions.

b. When does roll forward happen?

Please refer to current fiscal year end memo issued by the UT Austin Controller's Office for applicable dates and deadlines.

c. Roll forward requirements

In order for a transaction to get rolled forward:

- The account on the transaction must be in the old fiscal year.
- The service dates must be from the new fiscal year. If the departmental service dates are filled in, they will be used. If they are blank, the official service dates will be used. See the Service Dates section below.
- Please refer to current fiscal year end memo issued by the UT Austin Controller's Office for applicable dates and deadlines.

3. Service Dates

Service dates influence whether a transaction will be rolled back or rolled forward. The rules used to determine proper service dates for a particular document are not affected by the roll forward/roll back process. The rules that exist for determining service dates still apply.

a. Service dates on transactions

Service dates entered on the document cover sheet are official service dates. In Figure 12, the payment voucher was processed in fiscal year 2007-08, but the service dates are from fiscal year 2006-07. Therefore, the transaction will be rolled back to the 13th month of 2006-07.

```

*DEFINE                SERVICE PAYMENT REQUEST - VP2                Year: 07 08
Command: VP2      Account: _____      Misc: GOVP2876555_____      Month: SEP
=====
Status: APPROVED      -- COVER SHEET --      Document ID: SOVP2999999
Action: _____      Summary: A & W ROOTBEER
      Created: 09/05/07 by ACXXX - DUCK, DONALD      Category:
      Template: _____
      Format: ALL_____      Voucher Date: 090607      Voucher Nbr: L387817
      Separate Check: _      Check Distribution: U
      Default Service Dates Begin: 071507 End: 071507      DTN: _____
Vendor ID: 47777978356001 A & W ROOTBEER
Address: BOTH LINES
      104 ROOT DR EXTRA NON-POST-OFFICE INFO
      BURP CITY , NV 785691235
    
```

Figure 12

Departments have additional service date fields available as seen in Figure 13. Press the space bar to remove the plus sign (+) within the transaction screen of the document and access the transaction comment window.

```

+-----+
| ACCOUNT  D/C TYPE OBJ      AMOUNT      PO NBR      DTN      |
| 2612121250 D EX 1325      1.00      _____ +      |
| SERVICE DATES: Begin: 071507 End: 071507      |
+-----+
    
```

Figure 13

Different service dates may be entered in the transaction comment window (as shown below). Note: Most departments do not need to use this option. In most instances the official service dates are sufficient.

Figure 14 below, the transaction will *not* be rolled back to fiscal year 2006-07 since the departmental service dates are in fiscal year 2007-08.

```

Additional Information Concerning Transaction      1 on this page:
Account Information:
    Account: 26-1212-1250  Status: A  Type: EX PA: L
    Account Title: FB - LIFE          NASA 04-30-07 OE
    Unit: 5100-001  Department Title: OAID-PI-GOSS          Abbr: FB

-----
Object Code Info: Code: 1325 Title: OTHER CONTRACTED SVCS  Status: A

Additional Information Concerning Transaction      1 on this page:
                                                    Screen 2 of 2
Departmental Service dates: Begin: 090107 End: 090107

Cash Received by the University: _____
Cash deposit date/effective date: _____
    
```

Figure 14

b. Cash dates on departmental deposits

In addition to service dates, cash dates must be entered on departmental deposits if cash was received by August 31, but the cash receipt voucher or **VC** document has a September record date.

In Figure 15 the voucher date shows 9/1/07; the cash was received on 8/31/07 but is not deposited until 9/1/07. The deposit is applied to fiscal year 2007-08, but needs to be rolled back and reported in fiscal year 2006-07. Access the transaction comment window within the **VC** document by pressing the space bar to remove the plus sign (+) within the transaction window.

```

Action: ____ Begin at Acct: 1902200195  Entry: Debits:          0.00
          Voucher Date: 090107          Credits:            5.00
          Voucher Nbr.:                  Nbr:                1
ACCOUNT  TYPE  OBJ.      PAYOR          AMOUNT      D/C
DTN      TCODE  VENDOR ID  SERV.BEG  SERV.END  BURSAR  PURPOS  MORE
1902200195  IN   3101  STUDENT #1          5.00  C          |
          _____          _____          _____          _____          _____          _____          +
    
```

Figure 15

See Figure 16. Enter the correct date the cash was received by your department in the **Cash Received by the University** field. Note: If you have a lock box at the bank, use the **Cash deposit date/effective date** field instead of the **Cash Received by the University** field.

```

Additional Information Concerning Transaction      1 on this page:
Account Information:
    Account: 19-0220-0195  Status: A  Type: IN PA: L
    Account Title: OA -REVOLVING FUND          OPER INC
    Unit: 5100-000  Department Title: OFFICE OF ACCOUNTING  Abbr: OA

-----
Object Code Info: Code: 3101 Title: LABORATORY FEE          Status: A

Additional Information Concerning Transaction      1 on this page:
                                                    Screen 2 of 2
Departmental Service dates: Begin: _____ End: _____

Cash Received by the University:    083107

Cash deposit date/effective date:  _____
    
```

Figure 16

**B. VJR Reversals**

1. What are VJR reversals?

VJR documents for accruals and other accounting only entries are processed with an “Option 4” that will result in a reversal document in the new fiscal year. The reversal will be created on **VJB** documents with a description of “Reverse U0VJRXXXXXX” and the documents will have normal current year income (3xxx) and expense (1xxx) object codes.

The effect of all VJRs on account balances is brought forward into the new fiscal year on VJB documents also. The description of these entries will say “Adjusted Balance Forward.” Balance forward entries have balance forward object codes (8xxx).

2. When are VJR reversals needed?

VJR reversals are needed for accrual entries. September transactions that were rolled back to the prior year need to have VJR reversals processed to reverse the expense or income out of the current year. Transactions that were rolled forward to the new fiscal year will remove the expense or revenue from the August books. The VJR reversal puts the income or expense back on the books in the current year.

3. When are VJR reversals processed?

VJR reversals are processed at the same time as the adjusted balance forward entries.

4. Example

A payment voucher for \$50 was processed and approved with a voucher date of 9/3/07. The service date on the voucher was 8/15/07. The expense for \$50 was

rolled back to the 13th month of fiscal year 2006-07. Since the adjusted balance forward entries bring forward 13th month activity, this expense will be brought forward and \$50 will be debited against the new fiscal year account. This \$50 transaction already processed on the account in September. The adjusted balance forward entry debits the account again, so in effect the expense has been recorded twice! To prevent this, a VJR reversal for the \$50 will also be processed. The reversal backs out the current year transaction so that the effect on the overall free balance will be zero.

**IV. Information for \*DEFINE Ledger Module (LMM) Users**

Following are some general recommendations regarding posting year end entries to your books in the ledger module (LMM).

**A. Post Year-End Entries to Your Books**

Should a department accept all of their balance forward and adjusting entries to their books (LMM)? The Office of Accounting generally recommends that departments accept all year-end entries. These entries should be posted as is in order to keep departmental books in balance. Unless you are very familiar with these entries, the Office of Accounting strongly cautions against rejecting entries or trying to combine them with an LP2 entry.

**B. Reject 0299 Entries**

There are some year-end entries that you can safely reject. The material encumbrances are brought forward with a 0299 object code. The Office of Accounting then reverses the 0299 entries and rebooks them as 0200 entries by encumbrance number (See Material Encumbrances in the Balance Forward section for more information.). This process results in multiple in-and-out entries that many departments would rather keep out of their books. Since the total of these entries equals zero, they can be safely rejected without causing your books to be out of balance.

**1. Rejecting 0299 entries automatically**

You can create a profile on the LP8 command that will automatically reject all encumbrances with an encumbrance number. This prevents you from manually rejecting them. To do this, create your LP8 profile screen as shown in Figure 17.

```

>> TYPE IN CHANGES AND PRESS ENTER TO UPDATE THE PROFILE <<
*DEFINE          OFFICE PROVISIONAL POSTING PROFILES - LP8          Year: 06 07
Command: LP8      Office: _____ Misc: ENCUMBRANCE BAL          Month: JUL
=====
Profile Name: ENCUMBRANCE BAL FWDS          Status: ON          Action: REJECT
SELECTION CRITERIA: Part 1 - Information on the Transaction - - - - -
                   Document Type: VJB (required)
                   Account Information: _
                   Accounting Transaction Type: _ _ _ _ _
                   Reporting Transaction Type: _ _ _ _ _
                   Object Class Codes: 0299 thru 0299 _____ thru _____
                   Description: _____ THRU _____
                   Vendor ID: _____
                   Purchase Order: _____
                   Voucher Number: _____
SELECTION CRITERIA: Part 2 - Information about Source of Electronic Document
                   Electronic entry by: A
    
```

Originating Unit: _____
-------------------------

Figure 17

This profile should be created before September 1 so that the transactions will be rejected and never be displayed your **LP6** screen. If you don't get this profile created in time, don't despair! You can create the profile after the entries are displayed on your **LP6** screen and reapply the profile from the **LP8** screen. If you have questions about this, please call the Office of Accounting Helpline for assistance (471-8802).

2. Rejecting 0299 entries manually

If you don't want to use an automatic profile on **LP8**, you can use the **LP6** or **LR3** commands to reject these entries. Creating a profile on **LP5** can make rejecting the entries on **LP6** easier. See Figure 18 below.

```

*DEFINE                CREATE/SELECT PROVISIONAL PROFILES - LP5                Year: 06 07
Command: LP5          Account: _____ Misc: ENCUMBRANCE BF_          Month: JUL
=====
Press PF5 to Review/Post Provisionals using this Profile
SELECTION CRITERION  - - - - -
      Administrative View:  ACMAST_
      Account Nbr:         _____ thru _____
      Document Type:       WJB
      Accounting Transaction Type:  _ _ _ _ _
      Reporting Transaction Type:   _ _ _ _ _
      Object Class Code:  0299 thru 0299 thru _____ thru _____
      Description:         _____ thru _____
PROFILE DATA  - - - - -
    
```

Figure 18

Use this profile to limit the transactions showing on **LP6** to display 0299 encumbrances only. You can then delete these transactions from **LP6**.

**V. Information for Payment Voucher Creators & Approvers**

Following are frequently asked questions about issues relating to payment vouchers (**VP** documents).

**A. Why was this document returned to me unprocessed?**

Accounts Payable processes payment vouchers (**VP** documents) only when they receive supporting documentation from the department. If documentation has not been received by the deadline specified on the current fiscal year end memo issued by the UT Austin Controller's Office, the **VP** documents are automatically returned to the creator unprocessed. The document notes explain why the document was returned. To view notes, type **NOT** in the **Action** field.

**B. Why can't I create documents?**

The Office of Accounting shuts down all payment voucher processing by the deadline specified on the current fiscal year end memo issued by the UT Austin Controller's Office so that the final check run takes place within the current fiscal year.

**C. Does this mean I have to recreate all my documents?**

No. You may convert your documents from the old year to the new fiscal year. To convert prior fiscal year payment vouchers (VP documents) to the new fiscal year:

1. Make sure the old fiscal year (for example 0708) is displayed in the command line.
2. Travel to the document. To do this, enter the document ID in the **Document ID** field.
3. Once you have the document on the screen, change the voucher date to September 1<sup>st</sup> of the new fiscal year (for example 090108) and press ENTER.
4. A pop-up window will appear. Type an **X** next to **Yes** and press ENTER.
5. Your document will be moved to the new fiscal year.
6. Make sure your service dates are in the prior fiscal year if the payment should be reflected as an expense for that year, and then submit your payment voucher along with supporting documentation to the Office of Accounting or have the documents final approved by Departments according to the deadlines specified on the current fiscal year end memo issued by the UT Austin Controller's Office .

**D. Can I create payment vouchers in the new fiscal year?**

Yes. However, \*DEFINE will not allow you to approve them until September 1.

**E. This document really needed to be recorded in last year. What can I do?**

Your document can still be recorded in last year if it gets final approved by the roll back deadline. See Roll Back in the Adjusting Entries section for more information.

**VI. Other Information Resources**

Fiscal year-end is a busy time for everyone! The Office of Accounting works hard to keep departments informed of deadlines and other information to help make this time of year go as smooth as possible.

**A. Year-End Voucher Processing Dates Memo**

Each year the Office of Accounting sends out a memo outlining the year end processing deadlines. The memo is sent to deans, chairmen, directors, and accounting contacts. This information is available on the Office of Accounting Web page.

**B. \*DEFINE Good Morning Screens**

We update the Good Morning screen in \*DEFINE to remind users of deadlines and other pertinent year-end information.

**C. \*DEFINE What's New Windows**

We remind users of upcoming document processing deadlines with What's New windows in appropriate commands.

**D. Fiscal Year-End Classes**

Each summer the Office of Accountings provides administrative classes on the Fiscal Year End Process. This year these classes are being offered through Human Resource Services: <https://utdirect.utexas.edu/txclass/index.WBX>

**E. Office of Accounting Web Pages**

The Office of Accounting provides a wealth of accounting news and information on the web: <http://www.utexas.edu/business/accounting/>; there is documentation specific to fiscal year-end located here: <http://www.utexas.edu/business/accounting/fr/fye.html>