

Department of Administrative Services - State Accounting Enterprise

Section Pre-Audit	Procedure Number 235.300	Page Number 1 of 4	Effective Date July 1, 2003 Revised 6/1/26
Subject YEAR END PROCEDURES CORRECTING PAYMENTS OR REVENUES RECORDED IN THE INCORRECT FISCAL YEAR			

Each year during the hold-open period, situations may arise in which payments or revenues must be corrected because they were originally processed in the incorrect fiscal year (e.g. prepaid expenditures where payment is required before the new fiscal year is open). Corrections of this type must be processed using a Correction Transaction Expenditure (CDE) or a Correction Transaction Revenue (CDR) or, if originally processed on an Internal Exchange Transaction (IET) or Internal Payment Request (PRCI), through a modification of the IET or PRCI.

For exceptions, see Procedure 280.350, which specifies when use of a JV1 and JVC is appropriate.

Below is an explanation of how to correct payment or revenue transactions that were charged to the incorrect fiscal year.

1. Payments to an Outside Vendor (GAX or PRC) and Travel Payments (TP)

If a GAX, PRC, or TP is processed in the incorrect fiscal year, the department must prepare a CDE to correct the fiscal year to which the expense is charged. A CDE may include multiple transaction corrections on a single CDE with the corrections occurring by entering the proper Budget Fiscal Year, Fiscal Year and Period within the Accounting Section of the CDE.

When processing the CDE, the department must include one of the following:

- a. Attach a copy of the transaction being corrected to the CDE. The attachment must include the transaction type, transaction number, and processed date; or
- b. Enter the following information in the Transaction Description field for the transaction being corrected: the transaction type, transaction number, and processed date. Example: "To correctly charge expenditures paid on GAX, 005XX182001, processed 07-01-XX."

Note: For GAAP Team Guidance on Event Type usage on CDE transactions please refer to the **Appendix** below.

2. Payments or Revenues for Internal Services (IET or PRCI)

If an IET or PRCI is processed in the incorrect fiscal year, the department that expended the funds must process a modification of the original IET or PRCI to reverse the posting lines from original transaction.

To correct an IET or PRCI charged to an incorrect fiscal year, the following steps should be followed:

- a. Open the original IET or PRCI from the transaction catalog.
- b. Click on the page level 3 dot menu and from the Primary Action column select Modify to create a Version 2 of the IET or PRCI transaction.
- c. Enter \$0 in the appropriate areas for each transaction.
 - i) For an IET Transaction, enter \$0 in the Line Amount fields of both the Exchange Details and 2nd Party Accounting.
 - ii) For a PRCI transaction, enter \$0 in the appropriate fields of both the Commodity and Accounting lines.
- d. Attach documentation to support the correction.

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- e. The transaction can then be validated and submitted into workflow for approvals.
- f. A new transaction for the correct fiscal year may then be completed and approved through standard processes. The appropriate department approvals must be applied by the department expending the funds.

3. Revenues recorded on a Cash Receipt (CR)

If a CR is processed in the incorrect fiscal year, the department must prepare a CDR to correct the fiscal year to which the revenue is recorded. A CDR may include multiple transaction corrections on a single CDR with the corrections occurring by entering the proper Budget Fiscal Year, Fiscal Year and Period within the Accounting Section of the CDR.

When processing the CDR, the department must include one of the following:

- a. Attach a copy of the transaction being corrected to the CDR. The attachment must include the transaction type, transaction number, and processed date; or
- b. Enter the following information in the Transaction Description field for the transaction being corrected: the transaction type, transaction number, and processed date. Example: "To correctly record revenues processed on CR, 005XX182001, processed 07-01-XX."

Note: For GAAP Team Guidance on Event Type usage on CDR transactions please refer to the **Appendix** below.

For questions on how to correct transactions charged to the incorrect fiscal year, please contact the DAS-SAE Iowa Advantage Team.

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Appendix: GAAP Team Guidance on Use of Event Types by Transaction

1. CDE Transactions:

- a. **1099 Reportable** – ALL activity with 1099 reportable object codes MUST use one of the two event types below (including changing a 1099 reportable object code to a non-reportable object code and vice versa). The CALENDAR year of the expenditure is the defining factor.
 - i) **GA84** – 1099 Expenditures of the prior CALENDAR year
 - ii) **GA85** – 1099 Expenditures of the current CALENDAR year
- b. **Non-1099 Reportable** – Activity without 1099 reportable object codes.
 - i) **GA89** – Expenditures in the same fund and same fiscal year
 - ii) **GA88** – Expenditures between different funds within the same fiscal year
 - iii) **GA87** – Expenditures between different fiscal years, regardless of fund - **HOLD OPEN ONLY**

2. CDR Transactions:

- a. **GA99** – Revenues in the same fund and same fiscal year
- b. **GA98** – Revenues between different funds within the same fiscal year
- c. **GA97** – Revenues between different fiscal years, regardless of fund - **HOLD OPEN ONLY**

3. Important Notes:

Activity between different departments, but the same fund, are considered to be between the same fund.

The event types for different fiscal years will only be active during the hold open period. These event types should be used when activity is between two fiscal years, regardless of the funds involved. An exception is CDE transactions with 1099 reportable object code activity. All CDE transactions with 1099 reportable object code activity MUST use either event type GA84 or GA85.

Transactions must be prepared using the correct event type. This may require multiple line groups or vendor lines to properly classify the activity to the proper event type.

- a. Activity must be separated in the Transaction to allow for the use of the appropriate event type(s):
 - i) Within the same fund and fiscal year
 - ii) Between different funds within the same fiscal year
 - iii) Between different fiscal years (does not matter if between same fund or different funds)

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Example of event type rules properly applied to activity on a CDE transaction:

Summary of Activity to be Entered						Transaction Vendor Lines Entered on the CDE							
FY	Fund	Unit	Object	CDE		Vendor Line	Event Type	FY	Fund	Unit	Object	CDE	
				Increase	Decrease							Increase	Decrease
24	0659	0000	2211	\$	300								
24	0659	1100	2211		\$ 75	a.)	1	GA89	24	0659	0000	2211	\$ 75
24	0001	0000	2211		\$ 150				24	0659	1100	2211	\$ 75
24	0791	6212	2211		\$ 25				24	0659	0000	2211	\$ 175
25	0791	6212	2211		\$ 50	b.)	2	GA88	24	0001	0000	2211	\$ 150
									24	0791	6212	2211	\$ 25
						c.)	3	GA87	24	0659	0000	2211	\$ 50
									25	0791	6212	2211	\$ 50

Example of INCORRECT use of event types on a CDE transaction:

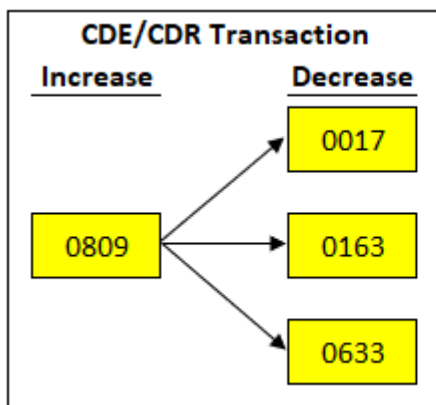
(It is not acceptable to include all activity under GA88 because some of the activity is within the same fund.)

Summary of Activity to be Entered						Transaction Vendor Lines Entered on the CDE							
FY	Fund	Unit	Object	CDE		Vendor Line	Event Type	FY	Fund	Unit	Object	CDE	
				Increase	Decrease							Increase	Decrease
24	0659	0000	2211	\$	250								
24	0659	1100	2211		\$ 75								
24	0001	0000	2211		\$ 150								
24	0791	6212	2211		\$ 25								

NO

Transaction Vendor Lines Entered on the CDE							
Vendor Line	Event Type	FY	Fund	Unit	Object	Increase	Decrease
1	GA88	24	0659	0000	2211	\$ 250	
		24	0659	1100	2211		\$ 75
		24	0001	0000	2211		\$ 150
		24	0791	6212	2211		\$ 25

- b. Activity between funds within the same fiscal year (event types GA88 or GA98) MUST follow certain formatting rules:
- i) It is acceptable to have multiple vendor lines in a transaction.
 - ii) Each CDE/CDR vendor line must limit the increase or decrease side to one fund (examples below).



OR

