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# Payroll End of Fiscal Year Procedures

## Overview of Fiscal Year End Tasks

The MiCase payroll system includes figures and functions for periods that correspond with cycles of work required by third parties. For example, the government requires employers to report employee wage information on the W-2 form. In this case, the period is for a calendar year (January 1 through December 31).

For many pay, benefit and deduction records, the MiCase system includes what it calls “periodic totals.” These six periodic totals are normally labeled “Qtr. 1”, “Qtr. 2”, “Qtr. 3”, “Qtr. 4”, “Fis. YTD” and “Cal. YTD”.

Qtr 1 contains the total for the period January 1 – March 31; “Qtr 2” contains the total for the period April 1 – June 30; etc.

“Fis. YTD” contains the total for the period July 1 – June 30 and “Cal. YTD” contains the total for the period January 1 – December 31.

These instructions describe the work required at the end of the fiscal year as well as suggested steps to take advantage of the various periodic totals described above.

Part of fiscal year end work is the accrual of wages and benefits earned in the fiscal year ending June 30<sup>th</sup>, which will be paid in the new fiscal year that begins July 1. An explanation of the accrual process is summarized below.

These instructions also explain the system procedures that assist in accounting for the FICA and MPSRS benefits - as well as gross pay - for contract balances to be paid in the new fiscal year.

## How Expense Accrual Works

Running the last payroll in June does not complete your wage obligation for the fiscal year. You still have certain wages to pay over the summer, teacher contract balances, for example. Since these wages were earned during the fiscal year just ending, they must be accounted for as expenses of that year, even though they will actually be paid in the new fiscal year. Standard accounting practice charges expenses to the proper fiscal year using the accrual process. The following is an example of how expenses are accrued and allocated to the correct fiscal year budget.

**Note:** 6/30/YY denotes June 30, 20YY, ex: 6/30/01.

Teacher Smith had a contract for the 2001 – 2002 school year for \$26,000.00 charged to ASN 11111. Smith elected to receive 26 biweekly payrolls of \$1,000.00, with the last payroll being August 20th. Therefore, after the June 25th payroll has been run, Smith will have a total contract balance of \$4,000.00, which will appear on the *Contract Balance Accrual Records* report as 11111 ... 4,000.00.

The *Employer Gross Pay Distribution by ASN* report will include the following fiscal year entries for Smith after the June 25th payroll has been run:

11111 SMITH ... 22,000.00 (contract paid through June 30th - 22 payrolls).

To accrue these wages, the MiCase Payroll System uses the following approach:

First, create a batch of adjustments that will be posted to your current year wage records. The batch will contain the following entries for Smith:

11111 SMITH ... 4,000.00 (the balance of contract...)  
630YY SMITH ... -4,000.00 (accrued salaries payable at 6/30/YY).

This charges the \$4,000.00 to be paid this summer to the current year's wage expense for ASN 11111 and the credit to 630YY will insure the total wages paid this fiscal year remains at \$22,000.00 [ $22,000.00 + 4,000.00$  (in ASN 11111) -  $4,000.00$  (in ASN 630YY) =  $22,000.00$ ].

Next, create a second set of adjustments that will be posted to your new year wage records after your current year records have been finalized and then zeroed out. The new batch will contain the following entries for Smith:

11111 SMITH ... -4,000.00 (the balance of contract...)  
630YY SMITH ... 4,000.00 (accrued salaries payable at 6/30/YY).

This ensures that the \$4,000.00 is not charged to the new year. After the accrual entries, ASN 11111 will have a balance of -4,000.00. After the four payrolls in the summer have been run, the balance in ASN 11111 will be \$0.00 ( $-4,000.00 + 1,000.00 + 1,000.00 + 1,000.00 + 1,000.00 = 0.00$ ).

By posting the above adjustments, the system will give you a very complete picture of employees' wages. At any time, the total of the *Employer Gross Pay Distribution by ASN* report will represent wages paid from July 1 through the current pay period. The wages are reported in program expense accounts (11111, 22222, etc.) and accrued wages are shown in the account with ASN 630YY. The resulting report should represent in detail what is expensed to the general ledger.

## End of Fiscal Year Procedures

The following procedures are all performed from the *Payroll Module Control Screen*, found in the *Payroll Module Administration* module, unless indicated otherwise. Click **Modules > Payroll Module Administration > Payroll Module Control Screen** to open the screen.

### Print Fiscal Year-end Reports First

In this step, you may view, print and/or archive any reports that may provide helpful summary data for the fiscal year that is ending. We suggest that you run the following reports and at least view them on the screen, to see if they will provide your district with data that could be useful for management or auditing purposes.

If you would like to produce the reports for archival use, the best way is to print them as PDF files. Before doing this, we recommend that you create a folder on your secured network drive and name it "PDF Reports" or something similar and put all PDF report files in one location for easy reference. To create a report in PDF format, from the *Report Print Options* screen, choose *Create a PDF File*. The system will then display a screen labeled *Save As* – **Figure 1**. Select the folder you want to put the report file in (e.g. "PDF Reports" from above), enter a name for the report and then select *Save*. When you return to the *Report Print Options*, select *OK* and the system will produce the report in PDF format.

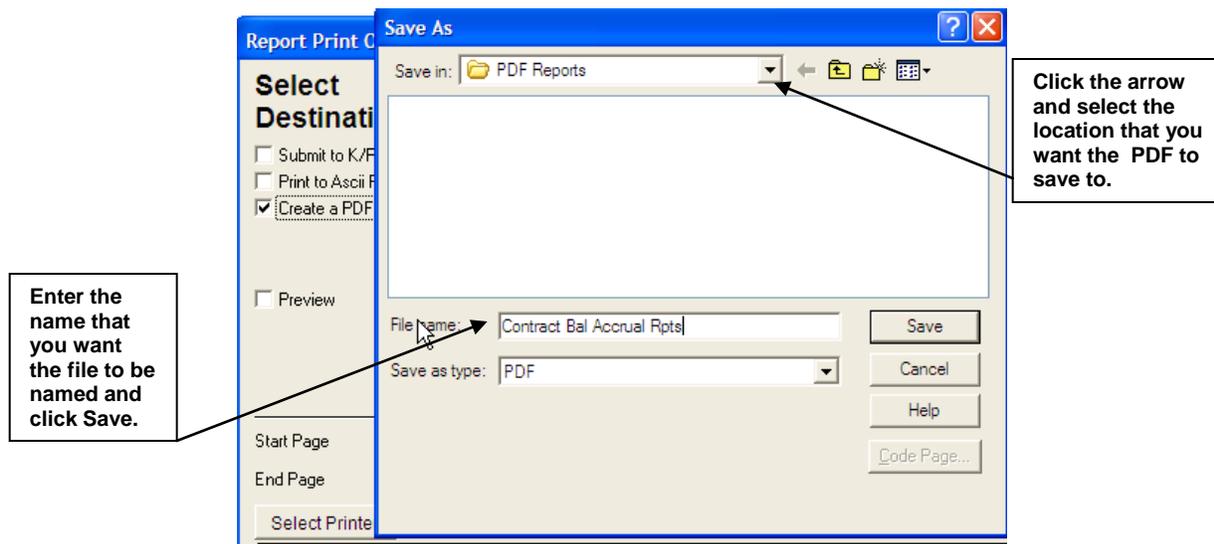


Figure 1 – Print as PDF

Click **Reports** and run the following reports:

*Fiscal Year-End Reports, Employer Gross Pay By MPSERS Class.*  
*Employer Distribution Reports, Employer Gross Pay Distribution by Employee.*  
*Employer Distribution Reports, Employer Gross Pay Distribution by ASN.*

Run any other year-end reports you wish to save before adding the accrued wages. The payroll supervisor, the business manager and/or the district's auditor, may desire some of the reports. If

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in doubt, you can always create a PDF file for later use, while the data is still available in the system.

Before proceeding to the accrual procedures, select *Reports > After-Payroll Results Reports > Current Contract Balance Report* and review the report. The column labeled *?Item* indicates if an employee has a contract balance that should be reviewed before accruals are processed.

If the contract is currently set to *Terminate Pay?*, the report will display "TERM." in the *?Item* field; if the *Payment Frequency* is "0 = Item is currently inactive", the report will display "FREQ". In these cases, the system will accrue the current contract balance and associated benefits. If you do not want accruals to occur, update the *Employee Primary Contract/Salary Screen* and/or the *Employee Additional Contracts/Salaries Screen* to remove the contract balance.

## Add New Pay Dates

This step adds additional payroll dates for the coming fiscal year.

1. Click *Screens > Pay Dates Definition Screen*. Check the browse list for the last biweekly pay date entered.
2. Click *Operations > Create Biweekly Payroll Schedule Calendar* if you need to add more pay dates. Enter the date of the first new pay date and the number of pay dates to create. Click *Yes* to create the pay dates. Then click *Yes* to confirm that you want to create additional pay dates. For further instructions, see the instructions for the *Pay Dates Definition Screen* in *Payroll Module Administration* section of this User's Guide.

Before proceeding with the following steps, please verify that the following setup is complete:

- New pay dates are defined - Do the operation above, to add new pay dates and verify that payroll dates are in the system for all payrolls that will include accrued wages and benefits (e.g., for all of July, August and possibly September of the new fiscal year).
- The accrual account ASNs must be defined in the Financial Accounting System, using the rules or guidelines of your district.
- Benefit accrual ASNs - Verify that the benefit accrual ASNs are entered on the *Benefit Definition Screen*, in the *Accrual ASN* field for each benefit. After entering the accrual ASN, save the record to update the information. These are the ASNs that will be used on employee gross pay and benefit accrual screen for the accrual account number ASN.

## Update Employee Gross Pay and Benefit Accrual Records

The *Employee Gross Pay and Benefit Accrual Screen* is used during the fiscal year end procedures to prepare and process records representing the accrual of costs from the old fiscal year (ending June 30<sup>th</sup>) into the new fiscal year (beginning July 1<sup>st</sup>).

**Note:** This operation must not be run after any activity is posted in the new year, i.e. running a payroll or posting an adjustment record created on the *Employee Register Record Preparation Screen*.

1. Do the *Operations > Update Employee Gross Pay and Benefit Accrual Records*.

The operation calculates benefit costs and gross pay for the employees with unpaid contract balances.

2. The operation requires you to enter two dates: the *Start of accrual period* and the *End of accrual period*. Normally, the start date would be the first payroll of the new year (July), and the end of the accrual period would be the last "summer" payroll, i.e. the last payroll before the first payroll of the new school year for employees who receive accrued wages during July, August and possibly September.
3. Enter the *Gross Pay Accrual ASN*. This is the default account number for the accrual wages (this should not be the salary expense ASN). If you need to accrue by fund, enter the accrual ASN that is used most frequently. To edit for multiple funds, export the accrual records to a spreadsheet to separate into different accrual funds, then re-import the spreadsheet. For further explanation, see the section below titled "Import/Export Spreadsheet". After entering the gross pay accrual ASN you may receive the following warning message: "There are no records for this gross pay ASN in the Benefit Distribution Control Table. Record(s) may need to be added". You can click the OK button and ignore the message. The accrual ASNs do not have to be present in the Benefits Distribution Control Table.

The system will look at your *Pay Dates Definition Screen* and, for every payroll scheduled between the start and end of the accrual period, the system will calculate gross pay accrual costs.

The system will create records for the calculated benefit accrual costs for FICA, MPSRS, DC-EM, PHFEM and WCOMP for those employees with unpaid contract balances using the following method. The calculated gross pay above is directed to the *Benefit Distribution Control Table* to determine the account to charge the benefit to. Then, the benefit amount is calculated by the normal method, for the wages to accrue. Note that if an employee exceeds the social security wage base limit during this period, the FICA will not be an exact accounting of FICA costs. If necessary, you may change the *Amount* of selected records, to represent the accrual results you want.

In addition, the system will create records for the accrual costs of "fixed-amount" benefits (i.e., health insurance or other benefits that are not calculated based on gross pay but rather are fixed dollar amounts entered on the *Employee Benefits Screen*). For example, if the *Start of accrual period* is 01-Jul-2011 and the *End of accrual period* is 31-Aug-2011, and your district has biweekly payrolls scheduled for 01-Jul, 15-Jul, 29-Jul, 12-Aug and 26-Aug, then employees have potentially five payrolls with fixed benefits to accrue. The system will consider the *Ben. Frequency* and *Ben. Remaining* to figure out how many benefit payments to accrue.

4. After the operation has completed, go to the *Payroll Module Control Screen* and click *Reports > Operations/Error Log*. Enter the current day's date in the "Beginning on day" and "ending on date" boxes. Review the log and make sure the operation successfully completed. The resulting report should show the message "Update Employee Gross Pay and Benefit Accrual Records: begin." and on the next line the message "Update Employee Gross Pay and Benefit Accrual Records: end."

If there are any messages between these two lines, call the MiCase Helpdesk before proceeding. For example, if you see one or more of the warning messages, there may be a problem that will have to be reviewed before proceeding. The 3 potential messages are as follows:

- DC-EM benefit not found for SSN :nnn-nn-
- PHFEM benefit not found for SSN :nnn-nn-
- PAEMMAST.DBF record not found for SSN :nnn-nn-

## Contract Balances versus Hourly Pay

While contracted wages and associated benefits may easily be accrued using the above process, hourly pay may also be accrued using a similar process. Hourly pay may be accrued in certain situations, for example, if the July payroll includes pay for weeks split between the old fiscal year and the new fiscal year (1 week in June and the other week in July). In this case, you may download the register records (*Payroll Employee Records Module > Employee Register Records Screen > Reports > Employee Register Detail Summary – All Employees*) into a spreadsheet and sort by the hourly employees. You would then enter the gross pay and benefits, by employee, on the Employee Gross Pay and Benefit Accrual Screen, or copy/paste the information into the import spreadsheet, as seen below. Once all of the hourly entries are added to the screen, you would follow the process as outlined above.

## Import/Export Spreadsheet

Another option for populating the *Employee Gross Pay and Benefit Accrual Screen* is to use the import/export process.

The first step is to export data to a spreadsheet: *Tools > Import/Export System > Report Name: Accruals*. This will give you the correct format to be used for the import. You can then add, delete or edit the spreadsheet as needed.

The next step is to import the data from a spreadsheet: *Operations > Import Pay and Benefit Accrual Records from Spreadsheet File*. This procedure uses the selected spreadsheet as input. The current contents of the pay and benefit accrual records are replaced with the records found in the spreadsheet. The system also verifies the records and displays messages in the *Operations/Error Log* report if any records require attention.

Note that you may also add accrual records on this screen. To add records, first select *New*. The system will display a screen asking you to select the employee to add the accrual record for. Then enter the *Type, Code, Amount, ASN* and *Percent* for the accrual record you want to add and then select *Save* to add the record.

## Create, Print and Proof the Accrual Reports

Review the reports described below to verify that the items and amounts are as you want to accrue. If necessary, you may change the *Amount, ASN* or *Accrual ASN* of selected records, to represent the accrual results you want. You can create and print accrual reports as often as

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necessary. Accrual wages are not added to the current year totals until you complete the steps to add accrual wages to current year totals.

1. **Accrual Records: ASN > Type > Code > Employee**  
Generates a report of the pay accruals, benefit accruals or both, sorted first by ASN, then type, code and employee
2. **Accrual Records: ASN > Type > Employee > Code**  
Generates a report of the pay accruals, benefit accruals or both, sorted first by ASN, then type, employee and code
3. **Accrual Records: Type > Code > ASN > Employee**  
Generates a report of the pay accruals, benefit accruals or both, sorted first by type, then code, ASN and employee

## Backup Data files

1. Click *Administrative, Backup Databases*. This backup should be stored on a secured drive. You can change the name of the backup file from HRBACK.ZIP to something more meaningful by clicking on the three dots next to the Filename.
2. Click Create Backup (or Save on the Save As window) to confirm the backup. This begins the backup process. After the backup is completed, click the Finished button if the MI-CASE Backup System window remains.

## Add Accrual Wages to Current Year Totals

There are two operations available to update the system for the accrual process. One operation updates gross pay and calculated benefits and the other updates the fixed-amount benefits. You may choose to run one or the other, or both, depending on your districts' needs. **Note, each operation may only be run once. If there are errors, please restore to a backup before running this operation again.**

The operations update the figures found in the *Payroll Employee Records* module, on the *Gross Pay Distribution by ASN* screen and the *Benefit Distribution by ASN* screen. As with previous procedures, the system makes adjustments both for the old fiscal year (ending June 30<sup>th</sup>) and the new fiscal year (beginning July 1<sup>st</sup>). The old fiscal year adjustments are positive amounts to the expense accounts in the 2<sup>nd</sup> quarter and negative amounts to the accrual accounts. The new fiscal year adjustments are negative amounts to the expense accounts in the 3<sup>rd</sup> quarter and positive amounts to the accrual accounts.

Also, the system creates batches of transactions in the Financial Accounting System, in the *Accounts Payable Module*, on the *Payable Batch Screen*.

As these are new procedures and critical ones, make sure to create a backup file for each operation when prompted.

1. To add gross pay and "calculated" benefits (FICA, MPSRS, etc.) - ***Operations > Update P/R Periodic Totals and A/P with Accrued Wages and "calculated benefits" Accrual***

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**Records**, (backup name PREACCOLD1). This operation adds the gross pay and “calculated” benefit accruals to the current year. After the operation has completed, go to the *Payroll Module Control Screen* and click *Reports > Operations/Error Log*. Enter the current day’s date in the “Beginning on day” and “ending on date” boxes. Review the log and make sure the operation successfully completed. The resulting report should show the message “Update P/R Periodic Totals and A/P with Accrued Wages and “calculated benefits” Accrual Records :CUR: begin” and “Update P/R Periodic Totals and A/P with Accrued Wages and “calculated benefits” Accrual Records :CUR: finish”. If there are any messages between these two lines, call MiCase before proceeding.

To add “fixed” benefits (health insurance, etc.) - **Operations > Update P/R Periodic Totals and A/P with “fixed-amount benefits” Accrual Records** (backup name PREACCOLD2). This operation adds the “fixed benefit accruals to the current year. After the operation has completed, go to the *Payroll Module Control Screen* and click *Reports, Operations/Error Log*. Enter the current day’s date in the “Beginning on day” and “ending on date” boxes. Review the log and make sure the operation successfully completed. The resulting report should show the message “Update P/R Periodic Totals and A/P with Accrued ‘fixed-amount’ Accrual Records :CUR: begin” and “Update P/R Periodic Totals and A/P with Accrued ‘fixed-amount’ Accrual Records :CUR: finish”. If there are any messages between these two lines, call MiCase before proceeding.

2. A system message asks, “Do you wish to backup the Human Resources databases now?” Click **Yes**.
  3. Click on the *Filename:* box and rename the backup file either PREACCOLD1 or PREACCOLD2 based on which operation you are running (see above) and save to your network drive. Click *Create Backup*. After the backup has completed, click *Finished*.
  4. In the *Fiscal year to update with accrual records* field, select *CURRENT*, meaning the year just ending.
  5. The next field, *Include MULTIPLE or ONE line item(s) per ASN?*, asks if you want the resulting accounts payable batches to include one line item for each different ASN or multiple line item(s) for the same ASN. If you select *MULTIPLE*, the system creates a batch of transactions with potentially several transactions for the same ASN, with each item representing an accrual amount for an individual employee contract balance. If you select *ONE*, the system creates a batch of transactions with one transaction for each ASN, with the total amount of wage accruals to that ASN included. Selecting *MULTIPLE* gives you a complete record of all accrual transactions in the account history. Selecting *ONE* gives you a less detailed account history. In either case, the *Contract Balance Accrual Records* report still reconciles all accrual entries and allows you to see the employee entries that comprise the total amount for each ASN.
  6. When the system asks “Proceed with operation?” click **Yes** to complete.
  7. These operations automatically create batches in the Financial Accounting System Accounts Payable module for posting to the General Ledger in the old fiscal year (ending June 30<sup>th</sup>). It will create two batches for each benefit and two batches for the gross pay. Within each pair, one batch contains positive entries (debits) to the normal wage or benefit accounts and the other batch contains negative entries (matching credits) to the accounts defined for accrued wages or benefits.
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## Adjust Current Year Accrual Batches in the Financial Accounting System

The instructions in this step describe how to take each pair of transaction batches created above and combine them into a single batch before posting to the general ledger. The steps detailed below are for the pair of batches for gross pay. Repeat the steps for each pair of batches for the benefits if you wish.

1. Click *Exit* to leave the Human Resources system. This takes you to the KRESA program login screen.
2. Click *Financial Accounting System*, and then click *OK* to open the program.
3. Click *Modules, Accounts Payable, Payable Batch Screen*.
4. Next, click *Browse* to open a list of all current Accounts Payable batches.
5. Click on the batch for the current year with the debit (positive) accrual charges to the wage expense accounts and press **Enter**.
6. Enter a credit (negative) amount for your accrued batch entries. This makes the batch a zero batch and avoids automatic offset number problems. It also causes a single line entry in your accrued wages liability accounts rather than a line entry for each accrued amount. Click *Save*. This batch is now ready to post.
7. Retrieve the second batch for the current year with the credit (negative) entries and mark it for deletion. These entries were necessary for payroll but should not be posted in Financial Accounting since entries were added in the instructions to the first batch for appropriate accrual wage account(s) with credit amounts to represent this batch. To delete this batch click *Mark*.
8. If you wish to use them for accrual purposes, you may repeat the above steps for the pair of batches for each benefit.
9. To return to the Human Resources System, click *Exit* to leave the Financial Accounting System and go to the program login screen. Next, click *Human Resources System*, and then click *OK*.

## Print Fiscal Year-End Reports after Accrual

At this step, you may view, print and/or archive any reports that may provide helpful summary data for the fiscal year that is ending, reflecting period totals after accrual adjustment have been made. Refer to the section *Print Fiscal Year-End Reports before Accrual* above and produce any desired reports.

## After Accrual Update Backup

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Create a backup file that contains all HR System data, as of the end of the fiscal year. **Important: Do this step before zeroing the quarter totals.**

1. Click *Operations, Backup database files After payroll run*.
2. In the *Payroll Schedule* field, enter *NOSCH* and select *Yes*; In the *Payroll Date* field, enter *06/30/YYYY*, where *YYYY* is the current calendar year. Perform this backup once to the network drive and once to the local drive. This backup will provide you with a permanent backup of your data as of June 30th with charges for the accrued wage expense.

**Important:** You must do the next steps before running the first payroll of the new fiscal year.

### Set 3<sup>rd</sup> Quarter Totals to Zero

**Note:** Make sure you have a good backup before completing this operation.

1. Click *Screens, Payroll Module Control Screen* to return to the correct screen. Then, select *Operations, Set Employee Periodic Totals to Zero*. Remember to perform a backup when prompted.
2. In the *Period-to-zero* field, select *Quarter 3 (July – Sept.)*. Click *Yes* to proceed with the operation.
3. When the operation has completed successfully, all Quarter 3 totals throughout the payroll system should be zero.
4. Make sure the operation completed successfully by choosing *Reports, Operations/Error Log*. Enter the current day's date in the "Beginning on day" and "ending on date" boxes. The resulting report should show the message "Begin zeroing of Q3 totals." and on the next line the message "Q3 employee totals set to zero". If there are any messages between these two lines call K/RESA before proceeding. If the messages are correct, you are now ready to run the first payroll of July.

**Note:** At this point the fiscal year to date figures throughout the payroll system will continue to reflect the current - the year just ending - totals. Therefore, you will not see the July payroll figures under Fiscal YTD until after you have incremented the fiscal year; the following section explains incrementing the fiscal year. However, the 3rd quarter totals will reflect payments made in the months of July - September of the new fiscal year.

### Increment Fiscal Year

In this step, the payroll system is updated to indicate that the current fiscal year is the year beginning July 1<sup>st</sup>.

1. Click *Operations, Increment Active Fiscal Year*.
2. Perform a backup when prompted.
3. Click *Yes* to proceed with incrementing the active fiscal year.
4. Click *Yes* to confirm that you want to increment the active fiscal year.
5. Make sure the operation completed successfully by choosing *Reports, Operations/Error Log*. Enter the current date in the "Beginning on day" and "ending on date" boxes. The report should show the message "Reset fiscal ytd totals & increment active fiscal year - begin". The next line should display the message "Reset fiscal ytd totals & increment active fiscal year - end". If there are any messages between these two lines call K/RESA before proceeding.

**Note:** From this point on the Fiscal YTD Totals will reflect the totals for the Fiscal Year that began July 1<sup>st</sup> of the current year.

## Add Accrual Wages to New Year Totals

In this step, follow the instructions in the *Add Accrual Wages to Current Year Totals* above, only in the *Fiscal year to update with accrual records* field, select *NEW*, meaning the year just beginning July 1<sup>st</sup>.

1. To add gross pay and "calculated" benefits (FICA, MPSRS, etc.) - ***Operations > Update P/R Periodic Totals and A/P with Accrued Wages and "calculated benefits" Accrual Records***, (backup name (backup name PREACCNEW1)). This operation adds the gross pay and "calculated" benefit accruals to the new year. After the operation has completed, go to the *Payroll Module Control Screen* and click *Reports, Operations/Error Log*. Enter the current day's date in the "Beginning on day" and "ending on date" boxes. Review the log and make sure the operation successfully completed. The resulting report should show the message "Update P/R Periodic Totals and A/P with Accrued Wages and "calculated benefits" Accrual Records :NEW: begin" and "Update P/R Periodic Totals and A/P with Accrued Wages and "calculated benefits" Accrual Records :NEW: finish". If there are any messages between these two lines, call MiCase before proceeding.

To add "fixed" benefits (health insurance, etc.) - ***Operations > Update P/R Periodic Totals and A/P with "fixed-amount benefits" Accrual Records*** (backup name PREACCNEW2). This operation adds the "fixed-amount" benefit accruals to the new year. After the operation has completed, go to the *Payroll Module Control Screen* and click *Reports, Operations/Error Log*. Enter the current day's date in the "Beginning on day" and "ending on date" boxes. Review the log and make sure the operation successfully completed. The resulting report should show the message "Update P/R Periodic Totals and A/P with Accrued 'fixed-amount' Accrual Records :NEW: begin" and "Update P/R Periodic Totals and A/P with Accrued 'fixed-amount' Accrual Records :NEW: finish". If there are any messages between these two lines, call MiCase before proceeding.

2. A system message asks, "Do you wish to backup the Human Resources databases now?" Click *Yes*.

3. Click on the *Filename:* box and rename the backup file either PREACCNEW1 or PREACCNEW2 based on which operation you are running (see above) and save to your network drive. Click *Create Backup*. After the backup has completed, click *Finished*.
4. In the *Fiscal year to update with accrual records* field, select *NEW*, meaning the year just starting.
5. The next field, *Include MULTIPLE or ONE line item(s) per ASN?*, asks if you want the resulting accounts payable batches to include one line item for each different ASN or multiple line item(s) for the same ASN. If you select *MULTIPLE*, the system creates a batch of transactions with potentially several transactions for the same ASN, with each item representing an accrual amount for an individual employee contract balance. If you select *ONE*, the system creates a batch of transactions with one transaction for each ASN, with the total amount of wage accruals to that ASN included. Selecting *MULTIPLE* gives you a complete record of all accrual transactions in the account history. Selecting *ONE* gives you a less detailed account history. In either case, the *Contract Balance Accrual Records* report still reconciles all accrual entries and allows you to see the employee entries that comprise the total amount for each ASN.
6. When the system asks "Proceed with operation?" click **Yes** to complete.
7. These operations automatically create batches in the Financial Accounting System Accounts Payable module for posting to the General Ledger in the new fiscal year (beginning July 1<sup>st</sup>). It will create two batches for each benefit and two batches for the gross pay. Within each pair, one batch contains negative entries (credits) to the normal wage or benefit accounts and the other batch contains positive entries (matching debits) to the accounts defined for accrued wages or benefits.

## Adjust New Year Accrual Batches in the Financial Accounting System

In this step, follow the instructions in the *Adjust Current Year Accrual Batches in the Financial Accounting System* section above, only for the batches just created above for the new fiscal year.

1. Click *Exit* to leave the Human Resources system. This takes you to the KRESA program login screen.
2. Click *Financial Accounting System*, and then click *OK* to open the program.
3. Click *Modules, Accounts Payable, Payable Batch Screen*.
4. Next, click *Browse* to open a list of all current Accounts Payable batches.
5. Click on the batch for the new year with the credit accrual charges to the wage expense accounts and press **Enter**.
6. Enter a debit amount for your accrued batch entries. This makes the batch a zero batch and avoids automatic offset number problems. It also causes a single line entry in your

accrued wages liability accounts rather than a line entry for each accrued amount. Click *Save*. This batch is now ready to post.

7. Retrieve the second batch for the new year with the debit entries and mark it for deletion. These entries were necessary for payroll but should not be posted in Financial Accounting since entries were added in the instructions to the first batch for appropriate accrual wage account(s) with debit amounts to represent this batch. To delete this batch click *Mark*.
8. If you wish to use them for accrual purposes, you may repeat the above steps for the pair of batches for each benefit.
9. To return to the Human Resources System, click *Exit* to leave the Financial Accounting System and go to the program login screen. Next, click *Human Resources System*, and then click *OK*.

Fiscal Year-End Processes have now been completed and normal payroll activities may continue.

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## END OF FISCAL YEAR TASKS CHECK LIST

Using the instructions above, perform the following steps. It may be helpful to date and initial each step as completed, for future reference.

- \_\_\_ Print Fiscal Year-end Reports Before Accrual
- \_\_\_ Add New Pay Dates
- \_\_\_ Update Employee Gross Pay and Benefit Accrual Records
- \_\_\_ Create, Print and Proof the Accrual Reports
- \_\_\_ Backup Data files
- \_\_\_ Add Accrual Wages to Current Year Totals
- \_\_\_ Adjust Current Year Accrual Batches in the Financial Accounting System
- \_\_\_ Print Fiscal Year-End Reports After Accrual
- \_\_\_ After Accrual Update Backup

**IMPORTANT: THE NEXT STEP MUST BE DONE BEFORE RUNNING THE FIRST PAYROLL OF THE NEW FISCAL YEAR.**

- \_\_\_ Set 3<sup>rd</sup> Quarter Totals to Zero
- \_\_\_ Increment Fiscal Year
- \_\_\_ Add Accrual Wages to New Year Totals
- \_\_\_ Adjust New Year Accrual Batches in the Financial Accounting System