



MSI – Fiscal Year End Processing

2011 ending/2012 beginning

User's Guide



Municipal Software, Inc.
1850 W. Winchester Road, Ste 210
Libertyville, IL 60048
Phone: (847) 362-2803
Fax: (847) 362-3347

Contents are the exclusive property of Municipal Software, Inc.
© Copyright 2011. All Rights Reserved.

Table of Contents

MSI FISCAL YEAR END PROCESSING CHECKLIST3

MSI-GENERAL LEDGER.....4

 STEP #1 – CREATE A NEW FISCAL CHART OF ACCOUNTS4

 STEP #2 – PROCESS YEAR END PURCHASE ORDER ENCUMBRANCES6

 STEP #3 – RECALCULATE THE GENERAL LEDGER.....7

 STEP #4 – CLOSE A FISCAL CHART OF ACCOUNTS8

 STEP #5 – RE-CLOSING A FISCAL CHART OF ACCOUNTS9

MSI-ACCOUNTS PAYABLE.....10

 STEP #1 – BUILD A NEW FISCAL OR CALENDAR YEAR10

 STEP #2 – POST ACCRUALS TO GENERAL LEDGER.....11

MSI-BUDGET PLANNING13

 STEP #1 – TRANSFER FINAL BUDGET TO GENERAL LEDGER.....13

MSI-PAYROLL SYSTEM14

 STEP #1 – PRINT MONTHLY/QUARTERLY/YEARLY REPORTS14

 STEP #2 – MONTHLY PROCESSING.....15

MSI-PURCHASE ORDERS SYSTEM16

 STEP #1 – UPDATE SYSTEM DEFAULTS FOR NEW REQUISITION AND PO NUMBERS16

 STEP #2 – CLOSE OUT OPEN ENCUMBRANCES17

 Section (A) Prior to Closing the Old Fiscal Year17

 Section (B) Closing the OLD FISCAL YEAR18

 Section (C) After Closing the OLD FISCAL YEAR.....19

MSI-UTILITY BILLING SYSTEM.....20

 STEP #1 – RUN OPEN A/R REPORTS.....20

MSI Fiscal Year End Processing Checklist

Please take a moment to review this **entire** document prior to actually processing; so, that you may familiarize yourself with the required steps for proper Fiscal Year End processing.

___ General Ledger:

1. Create a New Fiscal Chart of Accounts
2. Process Year End Purchase Order Encumbrances
3. Recalculate the General Ledger
4. Close a Fiscal Year Chart of Accounts
5. Re-Close a Fiscal Chart of Accounts

___ Accounts Payable:

1. Build a new fiscal or calendar year
2. Accrue invoices to the prior Fiscal Year (if you are accrual based accounting)

___ Budget Planning:

1. Transfer the final budget to the General Ledger

___ Payroll:

1. Print Monthly/Quarterly/Yearly Reports
2. Monthly Processing

___ Purchase Orders:

1. Update System Defaults (Starting PO number change)
2. Close Out Open Encumbrances (if you encumber)
 - a. Section (A) Prior to Closing the Old Fiscal Year
 - b. Section (B) Closing the Old Fiscal Year
 - c. Section (C) After Closing the Old Fiscal Year

___ Utility Billing:

1. Run Open A/R Reports

___ System Backup:

1. Make a separate backup of the entire MSI directory (and all sub-directories) at close of business on your applicable fiscal end day (typically April 30). Retain in a secure place.

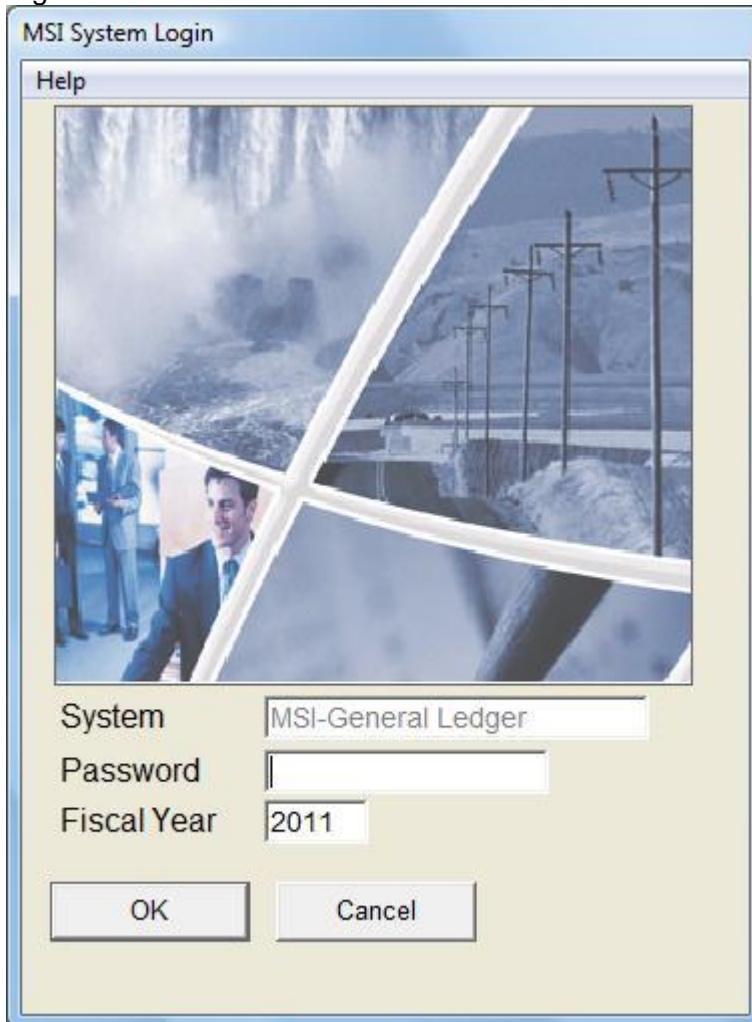
MSI-General Ledger

- Step 1 (Create a New Fiscal Chart of Accounts) should be run *prior* to the start of the **NEW FISCAL YEAR**.
- Step 2 (Process Year End Purchase Order Encumbrances) should be run *prior* to the start of the **NEW FISCAL YEAR**.
- Step 3 (Recalculate the General Ledger) should be run *after* all entries to the **OLD FISCAL YEAR** are posted.
- Step 4 (Close Fiscal Chart of Accounts) should be run *after* all entries to the **OLD FISCAL YEAR** are posted.
- Step 5 can be run as often as necessary after Steps 1-4 are taken.

Step #1 – Create a New Fiscal Chart of Accounts

Before the first day of the **NEW FISCAL YEAR**, the option to Create New Chart of Accounts must be taken.

1. Sign into Fiscal 2011:



MSI System Login

Help

System MSI-General Ledger

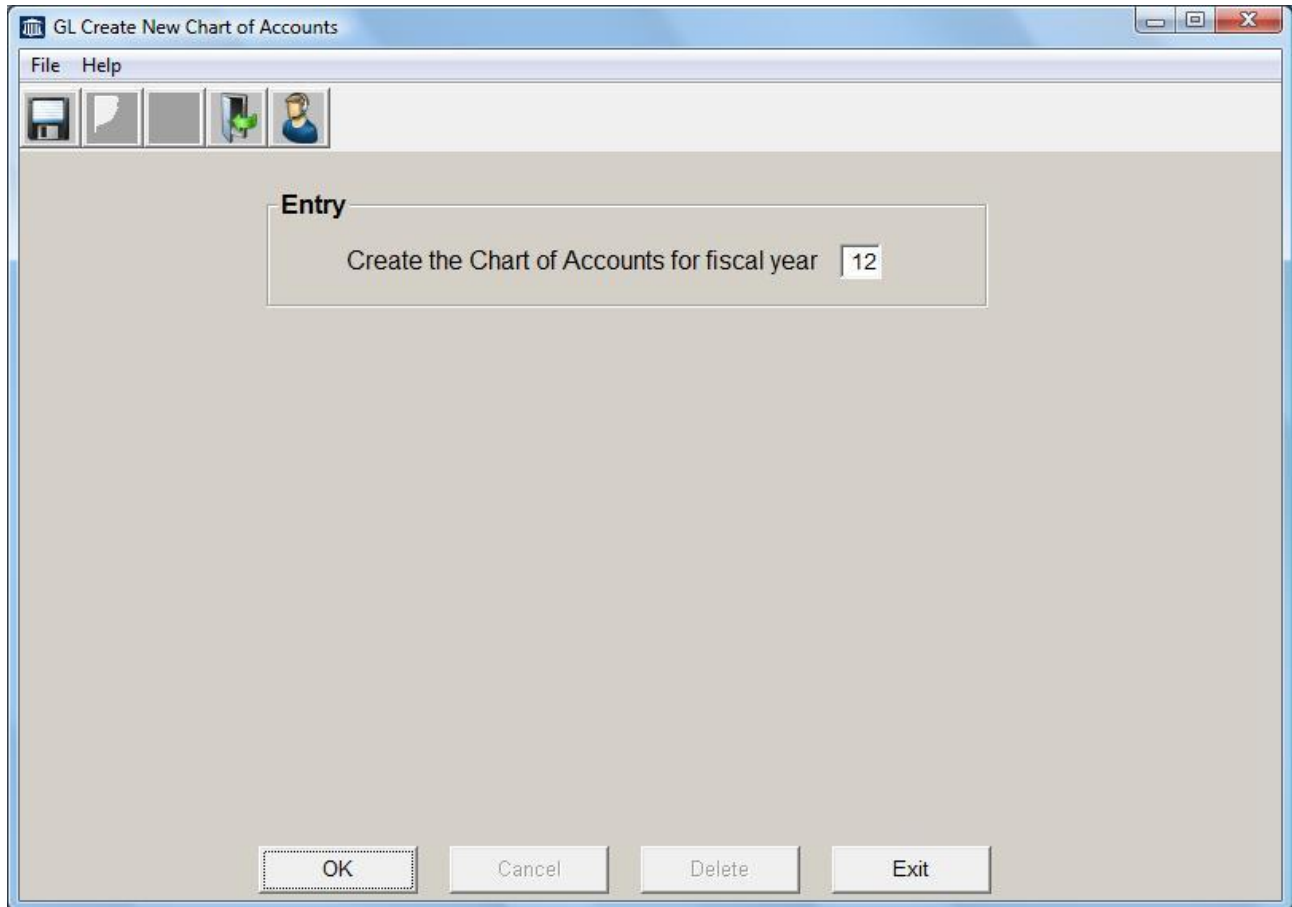
Password

Fiscal Year 2011

OK Cancel

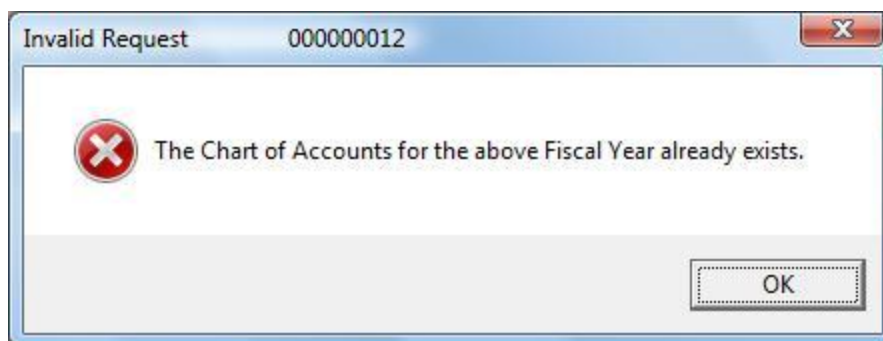
2. From the General Ledger System Main Menu, select Support > Create New Chart of Accounts

3. Enter the two digit year of the **NEW FISCAL YEAR** for which you are preparing (ex. if the New Fiscal Year is 2012, enter 12 at the prompt).



NOTE: In order to run this process, you must be signed into the **OLD FISCAL YEAR** (or a year other than the fiscal chart you are creating). Meaning if you are creating your 2012 Chart of Accounts you cannot be logged into the 2012 Fiscal Year. If you have not run this process before the first day of your **NEW FISCAL YEAR**, be sure to set the login screen (which will default to the new fiscal year) back to the **OLD FISCAL YEAR** in order to create the **NEW Fiscal Chart of Accounts**.

If, while attempting to create your new chart of accounts, you receive the below message, then either this step has already been completed OR someone has created individual account numbers in the **NEW FISCAL YEAR**.



To determine the reason, please do the following:

- a. Sign into the **NEW FISCAL YEAR**.
- b. Click on Maintenance > Chart of Accounts.
- c. Select the binoculars to view the Chart of Accounts Lookup screen.
- d. If the full Chart of Accounts exists, this step has already been completed.
- e. If only a few accounts exist, then someone has created account numbers. These account numbers will need to be deleted in order for the full chart to be created.
- f. Continue with step (1) above.
- g. Re-enter the deleted accounts, if needed.

Step #2 – Process Year End Purchase Order Encumbrances

If you have the MSI-Purchase Orders System and use encumbrance based accounting, please refer to the Purchase Order System Closing Procedures **AT THIS TIME**.

Step #4 of the General Ledger Closing Procedures (Close a Fiscal Chart of Accounts) will roll any outstanding encumbrances in the **OLD FISCAL YEAR** forward to the **NEW FISCAL YEAR**. Proper timing should be considered at this time of year to insure that encumbrances are properly handled.

Read the Purchase Order section in order to get a handle on what to process when (prior to and after closing the fiscal chart of accounts in the General Ledger).

Summary of Steps 1 and 2

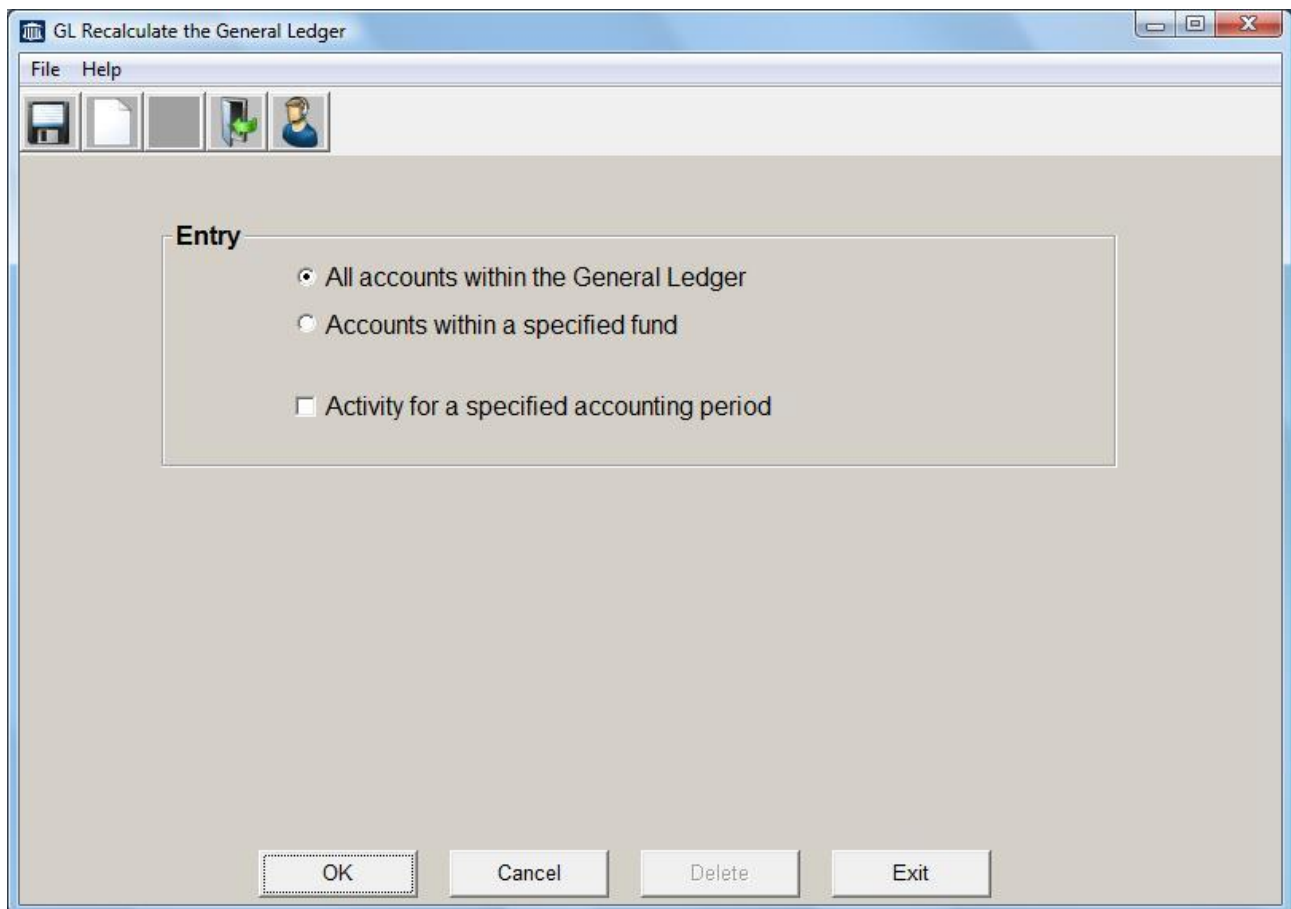
NOTE: The above 2 steps (Create a New Fiscal Chart of Accounts and Process Year End Purchase Order Encumbrances) are the only ones required **PRIOR** to the start of the **NEW FISCAL YEAR**.

NOTE: You may begin posting to the **NEW FISCAL YEAR** even if the **OLD FISCAL YEAR** has not been closed. Once you are ready to close the **OLD FISCAL YEAR** ledger, please continue on to General Ledger Step #3 beginning on the next page.

Step #3 – Recalculate the General Ledger

At any point after the **NEW FISCAL YEAR** has started, continue with this step to begin closing off the **OLD FISCAL YEAR**. Step #3 prepares the **OLD FISCAL YEAR** to be closed and Step #4 rolls the ending balances (for sheet account balances) forward to the **NEW FISCAL YEAR** as beginning balances as well as closes out Revenue and Expense accounts to Fund Balance. Step #5 describes how to re-run this process as additional audit entries, processing, and postings are entered into the **OLD FISCAL YEAR**

1. Sign into the **OLD FISCAL YEAR**.
2. Choose the Recalculate General Ledger option from the Support Menu.
3. Recalculate all account numbers without specifying a specific accounting period.



Step #4 – Close a Fiscal Chart of Accounts

1. While still signed into the **OLD FISCAL YEAR** (from the prior Step #3), choose the Close Fiscal Chart of Accounts option on the Support Menu.
2. Enter the full four digit year of your **OLD FISCAL YEAR** to the “Close the Chart of Accounts for fiscal year” prompt (ex. *If the old year is 2011, enter 2011 at the prompt*)
 - a. A closing general journal is posted to period (13) and printed while running this program, so make sure your printer is ready for use.
 - b. After processing is complete, the **OLD FISCAL YEAR’s** ending balances for all balance sheet accounts (assets, liabilities, capital) will become the beginning balances for the same accounts in the **NEW FISCAL YEAR**. All revenue and expense accounts will have their balances closed out to Fund Balance so \$0 will roll forward as the beginning balance of the **NEW FISCAL YEAR**.

GL Close Fiscal Chart of Accounts

File Help

Information

NOTE: The General Ledger should be recalculated before closing a fiscal year to be sure that the proper balances are carried forward. Closing entries will be posted and a report will be printed.

Entry

Close the Chart of Accounts for fiscal year 2011

Close all funds

Close a specific fund

Create separate journals for each fund

OK Cancel Delete Exit

Step #5 – Re-Closing a Fiscal Chart of Accounts

If additional postings are made to an **OLD FISCAL YEAR** after that chart of accounts has been closed (see steps 3 & 4 above), then utilize the following procedure to re-close the prior fiscal year's chart and re-roll your new ending balances forward to your new fiscal year.

NOTE: This step can be run as many times as necessary.

1. Sign into the General Ledger System as the **OLD FISCAL YEAR**.
2. Post all manual adjusting entries to the preferred accounting period (typically either Period 12 or 13, as desired).
3. Choose the Recalculate General Ledger option from the Support Menu and run it for all account numbers without specifying an accounting period.
4. Choose the Close Fiscal Chart of Accounts option on the Support Menu and run it for the **OLD FISCAL YEAR**.
5. Sign into the General Ledger System as the **NEW FISCAL YEAR**.
6. Choose the Recalculate General Ledger option from the Support Menu and run it for all account numbers without specifying an accounting period.

MSI-Accounts Payable

Step 1 (Build a New Fiscal Year) should be run *after* the last Accounts Payable check run has been processed with checks dated in the **OLD FISCAL YEAR** and *before* the first check run has been processed with checks dated in the **NEW FISCAL YEAR**.

Step 2 (Post accruals to General Ledger) walks you through how to process accruals during the transition between one fiscal and another.

Step #1 – Build a New Fiscal Year

This program will move the vendor's purchase history totals from the "This Fiscal" to the "Last Fiscal" bucket. It also will clear the "This Fiscal" bucket to prepare the fields to accumulate totals for the new fiscal year. This step should be run **AFTER** the last Accounts Payable check run has been processed with checks dated in the old fiscal year and **BEFORE** the first check run has been processed for the new fiscal year. NOTE that this does **not** relate to which fiscal year the checks will be posted to your MSI-General Ledger. It is simply to keep track how much was paid out during a given fiscal to any given vendor.

1. Sign into the MSI-Accounts Payable system and select Support > Build a New Fiscal or Calendar Year.
2. Select the option for "Begin a new Fiscal Year"
3. At the "New Fiscal Year" prompt key the four digit year for the new fiscal (ex. If the new fiscal is 2012, enter 2012 at the prompt).
4. Verify your selections and select "OK" to run the process.

Begin New Fiscal/Calendar Year

File Help

Entry

- Begin a new Fiscal Year
- Begin a new Calendar Year
- Begin new Fiscal and Calendar Years

New Fiscal Year 2012

OK Cancel Delete Exit

Step #2 – Post Accruals to General Ledger

(The following section is only for those clients using ACCRUAL based accounting with the MSI-Accounts Payable System.)

Invoices should be separated into different batches depending on which fiscal year they need to be accrued. So any new invoices that are entered which will be accrued to the **NEW FISCAL YEAR** must be in a separate batch from those being accrued to the **OLD FISCAL YEAR**.

Since check runs post via a separate process then accruals, you can choose whether to run each invoice batch through a separate check run (in order to post the payments to separate fiscals) or process them as one large check run (posting entirely to only one fiscal). So your decision will need to be based on which fiscal year you want the checks to post; either the same year in which they were accrued or all together to one fiscal.

To post the check runs to separate fiscal years, you must process separate check runs. To do so, first run one fiscal year invoice batch through the check processing cycle and post/update; then run the other invoice batch and post/update.

It is possible to combine invoice batches that were accrued in separate fiscal years into the same check run that will post to your preferred year (typically 2012). For example you can key invoices to batch 043011 and accrue those to fiscal 2011 and key invoices to batch 050111 and accrue those to fiscal 2012, then pay out all the invoices from both batches via one check run which posts to whichever fiscal year is selected when the check run's Distribution Journal is printed (for this example we'll assume that's 2012). *Do be aware that posting the check run for both batches to 2012 will not cause any posting to hit the 2011 fiscal year.* So what you'll have is an Accrual posting in 2011 for batch 043011 (which debits the expense accounts defined on each invoice and credits the accrual offset account), and an Accrual posting in 2012 for batch 050111, and a Check run posting in 2012 (which debits the accrual offset account and credits Cash) for both the 043011 and 050111 invoice batches. This will leave money in the accrual offset account in 2011 and for 2012 it will look like more was paid out than was pending payment. But looking at the two fiscals together will show the full picture. If this is not acceptable, then a General Journal entry will need to be keyed and posted to alter the financials.

NOTE: Each check run can only be posted to ONE fiscal year during check processing.

Accruing Invoices:

1. From the Accounts Payable Main Menu, click the Invoice Menu and select Print Accrual Distribution.

AP Print Distribution Journal

File Help

Selection

Journal Number AP 043011

Entry Date: 04/30/2011

Accounting Period: 12

Fiscal Year: 11

Batch Number 043011

OK Cancel Delete Exit

2. Enter your selections remembering to specify the invoice batch in the "Batch Number" field which you'd like to post to the specified Accounting Period and Fiscal Year.
3. Review the Distribution Journal that prints out to insure that the activity that appears on the report is intended for the fiscal it will post into. When that's correct continue with the option to Post Accruals to the General Ledger. If additional activity appears on the distribution journal that you do not want posted to the designated Accounting Period and Fiscal Year, then remove those invoices from the batch you have selected to post and then reprint the accrual distribution journal. Only select to Post Accruals to the General Ledger once everything is printed correctly on the Distribution Journal.
4. It's important to understand that the Post Accruals to General Ledger process will post over the last Accrual Distribution that was printed. So when you have more than one batch to post, you will need to print the Distribution Journal and then post it before printing the next Distribution and posting it.

MSI-Budget Planning

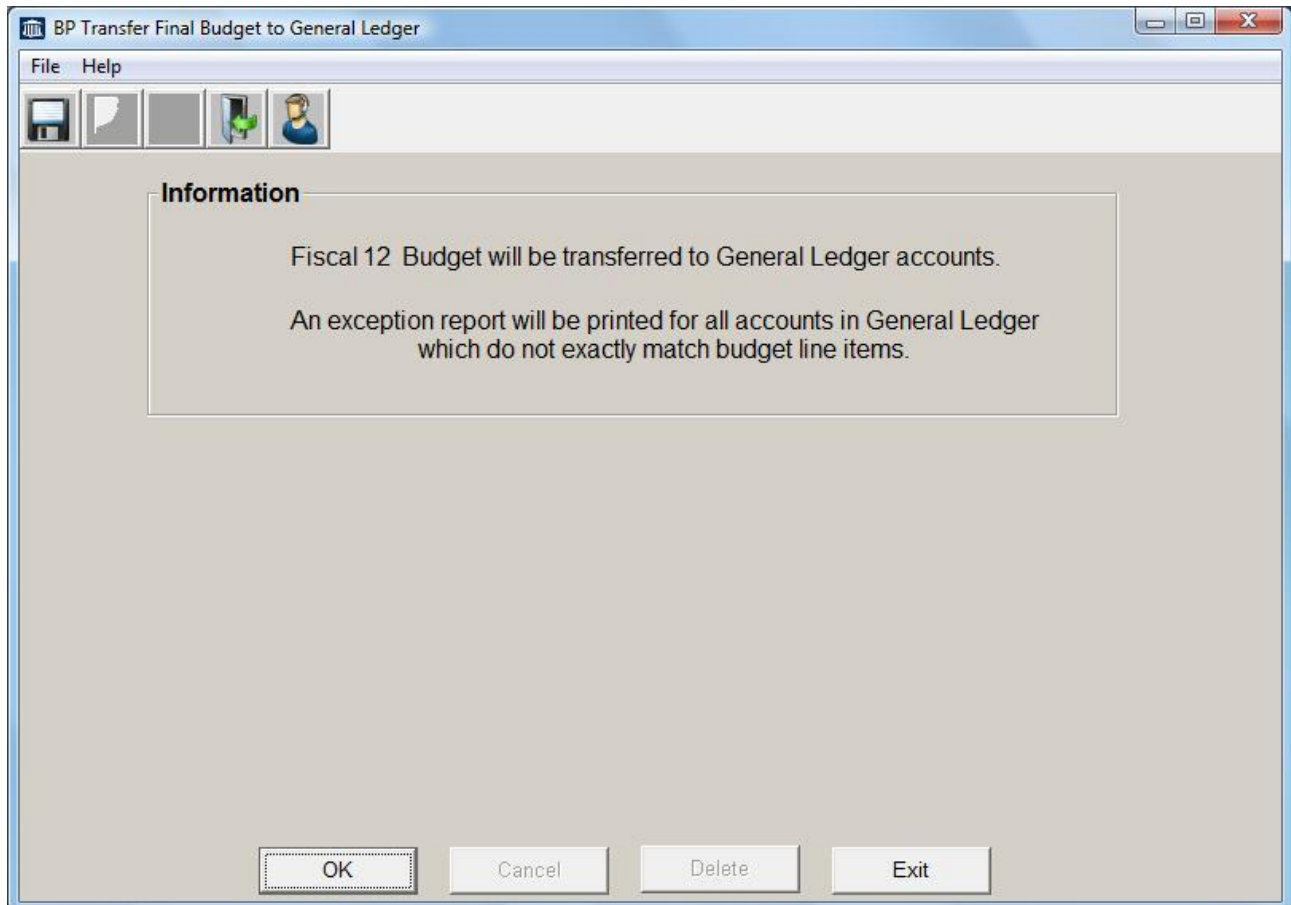
Step 1 (Transfer Final Budget to General Ledger) should be run **AFTER** the final budget for the **NEW FISCAL YEAR** has been entered into Budget Planning and is approved by the board.

Step #1 – Transfer Final Budget to General Ledger

This program moves all budget figures that have been entered in the Budget Planning System over to the General Ledger System. If a budget figure has been entered for an account that does not exist in the **NEW FISCAL YEAR** Chart of Accounts, a new number will be created. An Exception Report is printed during this program to indicate these new account numbers, plus other variations such as different description spellings or account types.

NOTE: Step (1) of the General Ledger System procedures (Create New Chart of Accounts) must be completed **BEFORE** this option is taken.

1. From the Budget Planning System Main Menu select Support > Transfer Final Budget to General Ledger
2. Make sure your printer is ready to print the exception report that's generated when the transfer is complete.
3. Click "OK" to transfer the budget amounts



MSI-Payroll System

These steps should be run AFTER the last payroll has been updated which has a check date in the **OLD FISCAL YEAR**, but BEFORE the first payroll is started which will be dated within the **NEW FISCAL YEAR**.

Step #1 – Print Monthly/Quarterly/Yearly Reports

Please print, verify, and **COMPLETE** all monthly and quarterly reports that you normally process **BEFORE** continuing with the next step. If there are mistakes or problems you may not be able to go back once the fiscal year is closed out.

Note: If your fiscal starts at the beginning of a new quarter (April, July, or October) then when running the YTD Earnings Report, consider comparing your totals to your 941 report amounts.

| Suggested Reports | |
|---|---|
| <u>Prior</u> to running Monthly Processing | <ul style="list-style-type: none"> • If you utilize benefit hour processing within the MSI-Payroll system then run the Benefit Hours Report selecting the option to "Include only Employees whose benefits would be adjusted on a specified month". Input the month you will be preparing for via Monthly Processing so the report can generate a snapshot of the employees will have their benefit hours adjusted during Monthly Processing. • Run the YTD Earnings Report, as the "Month", "Quarter", "Calendar", and/or "Fiscal" columns will be zeroed out by Monthly Processing's selections and cannot be reproduced once Monthly Processing clears the selected figures. |
| <u>After</u> Monthly Processing | <ul style="list-style-type: none"> • Run the Benefit Hours Report to monitor the effect Monthly Processing had on the benefit hours. • Run the YTD Earnings Report, to verify the pay amounts were zeroed out by Monthly Processing. |
| <p>All other available reports can be run at any time as they are not affected by Monthly Processing. The other reports run off of the Payroll History or Employee Maintenance files rather the YTD fields that Monthly Processing effects.</p> | |

Step #2 – Monthly Processing

Run this step to clear the month, quarter, and fiscal Year-to-Date fields and prepare the system for the new fiscal year.

1. Select “Monthly Processing” off the “Monthly” menu in Payroll.
2. In the “Enter the month (01-12) you are preparing for:” field make sure that the month of your new fiscal year start is displayed.
3. If the **NEW FISCAL YEAR** is *not* also the start of a new quarter (February, March, May, June, August, September, November, December), then select “Clear Month pay amounts”. If the **NEW FISCAL YEAR** *does* start at the same time as a new quarter (April, July, or October), then select “Clear Month and Quarter pay amounts”.
4. Also select the option to “Clear Fiscal pay amounts”.
5. You will be given an option to “Purge INACTIVE Voluntary Deductions”. If you select this checkbox, then any voluntary deductions which have been flagged as (I)nactive in employee maintenance will be removed from that employee. **It will ALSO remove it from the employee's YTD details.** So the information will no longer appear on the YTD Earnings Report, even if deductions were taken during the current month, quarter, calendar, or fiscal year. The Voluntary Deduction code will remain in the Payroll system.

PR Monthly Processing

File Help

Selection

Enter the month (01 - 12) you are preparing for: 05

Clear Month pay amounts

Clear Month and Quarter pay amounts

Clear Fiscal pay amounts

DO NOT perform benefit analysis

Purge INACTIVE Voluntary Deductions

NOTE: Please be sure all necessary monthly and quarterly reports have been processed BEFORE clearing any data.

OK Cancel Delete Exit

When completed, run the **YTD Earnings Report**, to verify the pay amounts were zeroed out by Monthly Processing. **IF IT IS LATER FOUND THAT THE MTD, QTD, AND YTD FIELDS ARE INCORRECT, YOU WILL HAVE TO CORRECT THEM MANUALLY IN YTD MAINTENANCE, ONE EMPLOYEE AT A TIME.**

MSI-Purchase Orders System

Step 1 (update Requisition and PO numbers) prior to the start of your new fiscal year, if you want your Requisition and PO numbers to reflect the fiscal year in which the detail was input, then *after* the last Req and PO are input for the **OLD FISCAL YEAR** and *before* inputting any for the **NEW FISCAL YEAR** you will need to update System Defaults.

Step 2 (Close out Open Encumbrances) understanding how the system handles Encumbrances will help you to determine the best timing for your office's needs.

Step #1 – Update System Defaults for new Requisition and PO Numbers

If you have incorporated the fiscal year into a portion of your purchase order or requisition numbers, the minimum numbers should be changed prior to entering any new PO's or Requisitions for the new fiscal/calendar year.

1. From the Purchase Order System Main Menu, select Support > System Defaults.
2. Change the number(s) displayed in the "Minimum Requisition #" and/or "Minimum PO #" fields as required (ex. *If the new fiscal year is 2012, then you may want the new Requisitions and PO's entered in that year to begin with "2012..."*).

PO System Defaults

File Help

Entry

Minimum Requisition # 20120001 Minimum PO # 20120001

Encumbrance Account ABC

Reserve for Encumbrance Account ABC

Budget warning percentage 100.0 %

Lookup Box Limit 500

Move Comments from Requisitions to Purchase Orders

Allow Temporary Vendors in Requisition Entry

Activate Purchase Order Emails

Use Project Costing Functionality

OK Cancel Delete Exit

Step #2 – Close out Open Encumbrances

NOTE: If you practice encumbrance accounting, then continue on to this step. If you do not practice encumbrance accounting then your Year End procedures for Purchase Orders are completed – so there is no need to proceed with this step.

PO's can be unencumbered in the **OLD FISCAL YEAR** and/or encumbered in the **NEW FISCAL YEAR** as long as necessary, until the **OLD FISCAL YEAR** Chart of Accounts is closed in the MSI-General Ledger System.

The key to processing during this time is to understand how the system selects PO's to encumber. When printing the Encumbrance Distribution Journal, the system will pull in ALL new line items that have not yet been encumbered to the General Ledger. So it will include all items that have been entered onto a Purchase Order since the last time encumbrances were posted (provided these line items are flagged to encumber) regardless of the PO date – the system just pulls in ALL new line items.

So, if you intend to post to the **OLD FISCAL YEAR**, then you can only enter new PO's or modify existing ones that should be encumbered to the **OLD FISCAL YEAR**. Then print the encumbrance distribution journal and post encumbrances. Once done, then work exclusively on those to be encumbered into the **NEW FISCAL YEAR** until those are posted.

To gather a better understanding of how this is done and what options are available, the remaining text has been separated into three sections:

Section (A) - indicates what can be done PRIOR to closing the Chart of Accounts.

Section (B) - indicates what will happen to outstanding encumbrances when the Chart of Accounts is closed in the MSI-General Ledger.

Section (C) - indicates how to post to the **OLD FISCAL YEAR** after the Chart of Accounts is closed.

Section (A) Prior to Closing the Old Fiscal Year

Prior to closing the **OLD FISCAL YEAR** Chart of Accounts in the General Ledger, PO's can be encumbered and/or unencumbered in the **OLD FISCAL YEAR** and the **NEW FISCAL YEAR**. However, PO's from those years CANNOT be processed at the same time, either in MSI-Purchase Orders or the MSI-Accounts Payable System. The PO's from different fiscal years must be processed in groups according to their fiscal year, as instructed below:

1. Do not enter any PO's for the **NEW FISCAL YEAR**.
2. Finish entering and modifying PO's in the **OLD FISCAL YEAR**.
3. Select the option on the Purchase Orders Menu to "Print Encumbrance Distribution Journal".
4. Enter your selections to post to the **OLD FISCAL YEAR**.
5. Select the option on the Purchase Orders Menu to "Post Encumbrances to General Ledger".

At this point, all current **OLD FISCAL YEAR** encumbrancing will be sent to the General Ledger. You may then begin with the **NEW FISCAL YEAR** PO's, but you cannot process ANY OLD FISCAL YEAR PO's in the MSI-Purchase Order System until the **NEW FISCAL YEAR** PO's are posted to the GL. Once the group of **NEW FISCAL YEAR** PO's has been processed as indicated above, you may then continue with another group of **OLD FISCAL YEAR** PO's. This process can

be continued as many times as needed until the Chart of Accounts is closed in the MSI-General Ledger system.

Note: PO's waiting to be unencumbered from the **OLD FISCAL YEAR** will not be included when you run the distribution journal for the **NEW FISCAL YEAR**. You will be prompted with a message letting you know that there are PO's that need to be unencumbered from an old fiscal year, when these exist. If you receive the below message when printing your distribution journal, then finish posting the journal that prints before going back in to create a new distribution journal for your prior fiscal year.



Section (B) Closing the OLD FISCAL YEAR

By completing Step (B), the following processes will automatically occur. This will only affect line items from PO's that have been encumbered to the **OLD FISCAL YEAR** but have not yet been unencumbered. Again, this is only for those sites practicing encumbrance accounting.

When running the Close Fiscal Chart of Accounts option off the Support Menu in MSI-General Ledger, the system will automatically:

1. "Close" any outstanding **OLD FISCAL YEAR** encumbrance amounts into period 13 of the **OLD FISCAL YEAR**.
2. These same amounts are then re-encumbered into period 01 of the **NEW FISCAL YEAR**.
3. The ending balances for each fund's Encumbrance and Reserve for Encumbrance accounts will automatically be carried forward as the beginning balance of the same account in the **NEW FISCAL YEAR**.

This process occurs each time the Chart of Accounts is closed for any new encumbrances that have been posted to the **OLD FISCAL YEAR**.

NOTE: You will NOT see specific journal entries for these encumbrance transfers, because actual balances have not changed.

NOTE: Any encumbrances that are rolled over from the **OLD FISCAL YEAR** to the **NEW FISCAL YEAR** will be **REQUIRED** to be unencumbered in the new fiscal year.

Example: If a \$50.00 encumbrance is outstanding when closing fiscal year 2011, the \$50.00 will be unencumbered in period 13 of fiscal 2011 and re-encumbered in period 1 of fiscal year 2012. At this point, the \$50.00 outstanding encumbrance will show up in fiscal year 2012 only. Therefore, it cannot be unencumbered in fiscal year 2011. In other words, open purchase orders that have been rolled into fiscal year 2012 cannot then be unencumbered on an encumbrance journal to be posted to fiscal year 2011.

Section (C) After Closing the OLD FISCAL YEAR

Once the Chart of Accounts is closed, you may still process PO's for the **OLD FISCAL YEAR** and the **NEW FISCAL YEAR**. EXTREME CAUTION SHOULD BE USED WITH THIS PRACTICE. You should process PO's separately by fiscal year as discussed in section (A) above.

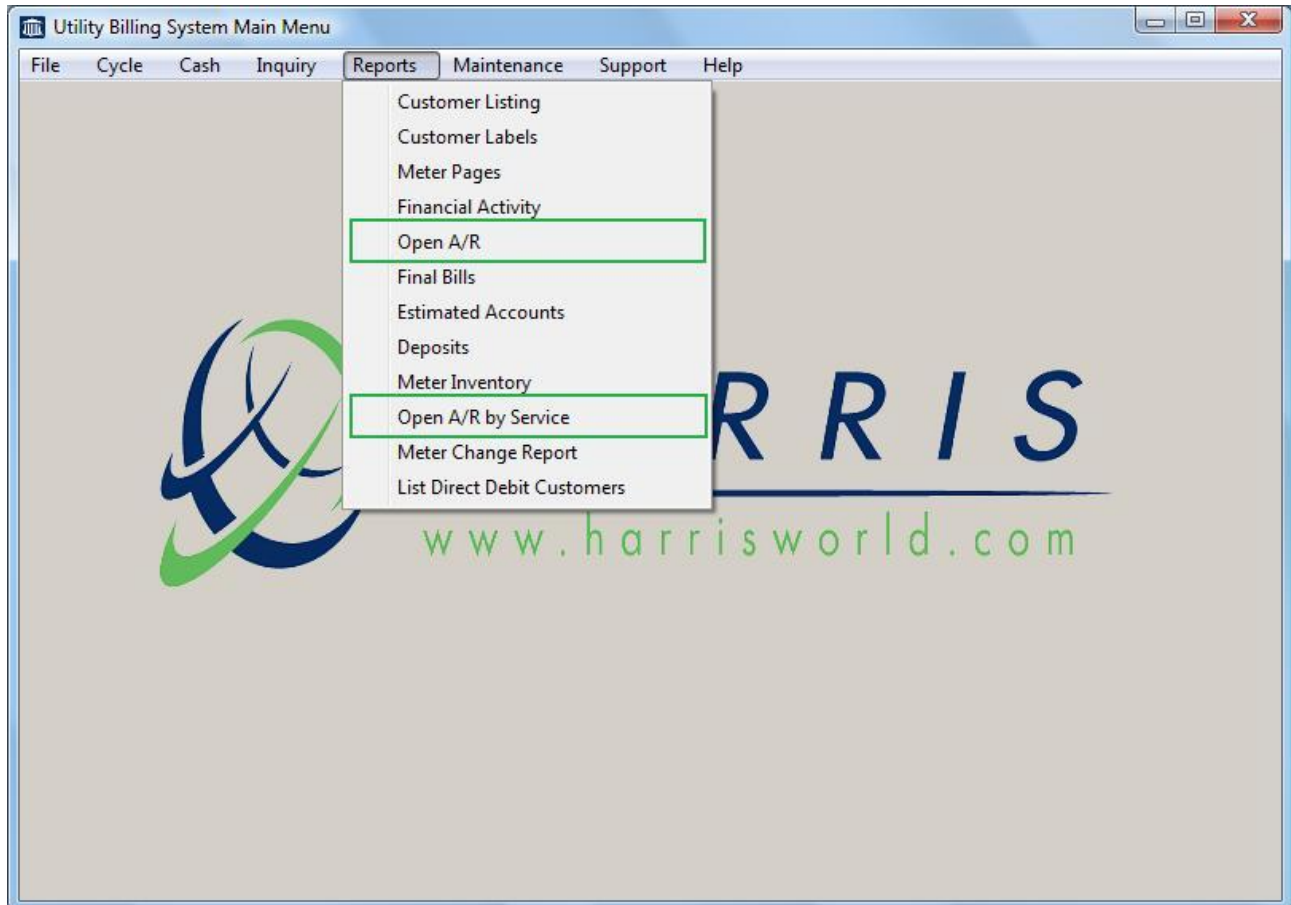
NOTE: PO's waiting to be unencumbered from the **OLD FISCAL YEAR** will not be included when you run the distribution journal for the **NEW FISCAL YEAR**. The system will, however, give you a message that there are PO's pending for the **OLD FISCAL YEAR**:



You WILL NOT get this message if you are posting to the **OLD FISCAL YEAR** and there are **NEW FISCAL YEAR** un-encumbrances involved.

MSI-Utility Billing System**Step #1 – Run Open A/R Reports**

Since there is no way of running the UB Open A/R reports “for a certain date” and some auditors want a snapshot of the receivables as of the end of the year, it is recommended to run the Open A/R and/or the Open A/R by Service Report once all activity for the year has been updated in UB (and before new activity is updated in the new year).



Keep these reports in a designated area to be able to provide the auditors upon request.

CAUTION: If the first billing of the new fiscal year is updated prior to the end of your old fiscal year (meaning if your May 1 billing is updated on April 30), then the new fiscal year's billing totals will appear on the Open A/R reports run prior to May 1. So, hold off on updating those bills until the start of the new fiscal year. For example, if your fiscal starts May 1st and that is also the date of your next bill run, then do not update those bills (or any other new fiscal activity, for that matter) prior to May 1st or the Open A/R reports will include the amounts intended for your new fiscal year.