



South Carolina Enterprise Information System

# LESSON 1: UNDERSTANDING THE YEAR-END CLOSING PROCESS

STATE INFORMATION  
TECHNOLOGY



SC BUDGET AND CONTROL BOARD

# Lesson 1 Learning Objectives

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- ④ Upon completion of this lesson, you should be able to:
  - Define key terms and concepts.
  - Understand the State’s year-end closing process.
  - Understand the purpose of the State’s closing packages.
  - Understand the SCEIS year-end closing process.
  - Understand how year-end affects SCEIS and SCEIS Agencies.

# Key Terms and Concepts – Fiscal Year (FY) in STARS

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- ④ The State Fiscal Year runs July 1 through June 30. This is also reflected in the State's STARS system.
- ④ Fiscal Month corresponds to a month in the State fiscal year, where July is fiscal month 01 (FM01) and June is FM12.
- ④ Fiscal Month 13 (FM13) – The specific days in July in which the State allows processing of data in STARS for the prior fiscal (budget) year that ended June 30.
- ④ During the month of July, transactions for FM13 of the old fiscal year and FM01 of the new year are both being processed in STARS.

# Key Terms and Concepts – Fiscal Year (FY) in SCEIS

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- In SCEIS, Fiscal Year is still July 1 through June 30 but FY is accounted for in periods.
- Periods are just like Fiscal Months. July is period 1.
- Period 12 in SCEIS corresponds to the 12<sup>th</sup> fiscal month, or June.
- **“Extended” Period 12 is like Fiscal Month 13.** It is the period in July allowed for processing SCEIS transactions for the prior fiscal year.
- During the month of July, SCEIS transactions for extended Period 12 of the old fiscal year **and** Period 1 of the new year are both being processed.

# South Carolina Year-End Closing Process

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- ① State fiscal year ends **June 30**.
- ① State allows several days in July for Agencies to pay bills and make corrections before closing the year.
- ① The last day of fiscal year 2010 for Agency processing is Friday, **July 16<sup>th</sup>**.
- ① No more transactions can be posted to STARS or SCEIS after July 16<sup>th</sup> by an Agency.
- ① These dates are the same for SCEIS and non-SCEIS Agencies.

# South Carolina Year-End Closing Process cont.

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- 🌀 **July 16<sup>th</sup>** will be the closing date for **all Agencies**.
- 🌀 The **CGO** will have until the **end of July** to perform their general closing entries – just as in the past.
- 🌀 **SCEIS Team** will perform several closing steps:
  - opening and closing periods of operation,
  - moving or closing documents, and
  - moving or closing account balances.

Hopefully, this can be accomplished by **end of August**.

- 🌀 Plans are to prepare the **State's financial statements** from SCEIS for the current fiscal year.

# South Carolina Year-End Closing Process cont.



## STARS 2010

<b>06/01 - 06/30/10</b>	<b>07/01 - 07/16/10</b>	<b>07/17 - 07/31/10</b>
FM12 2010	FM13 2010	
	FM01 2011	FM01 2011

## SCEIS 2010

<b>06/01 - 06/30/10</b>	<b>07/01 - 07/16/10</b>	<b>07/17 - 07/31/10</b>
<b>Period 12 2010</b>	<b>Period 12 2010</b> (extended Period 12)	
	Period 1 2011	Period 1 2011

# Year-End Closing and State Closing Packages

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- Agencies fiscally (annually) produce and submit year-end adjustments on standard CGO forms (packages).
- “At year-end, the [CGO] posts data from the completed forms to the State's GAAP-basis financial reporting system. Only then can the Comptroller General's Office close the State's *GAAP-basis* books. This is why [CGO] call the packages "closing packages.” \*



# Year-End Closing and State Closing Packages cont.

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- ① **Closing Packages** are used by the CGO to aid in the preparation of the State's financial statements.
- ① **Closing Packages** are required for financial statement information that is non-financial, and is in the future or not recorded in STARS or SCEIS.

# State Closing Packages and SCEIS



**SCEIS** can provide some information required by the closing packages, such as the following:

- ④ **Accounts Payable** paid in July and August that pertain to the prior fiscal year.
  - In order to provide this information later, Agencies will be required to identify this information as you process payments in July and August. This will be discussed more in Lesson 5.
- ④ **Miscellaneous Revenue**, if you use SCEIS to record A/R.

# State Closing Packages and SCEIS cont.

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- ④ **Tax Revenue** receivables and payables related to taxes
  - Taxes receivable, if you record this in SCEIS.
  - Refunds payable, if you record this in SCEIS.
  - Deferred revenue, if you record this in SCEIS.
  
- ④ **Operating Leases** involving equipment leased, which will not be purchased
  - Most information will not be available in SCEIS because the information required is non-financial and future payments.

# State Closing Packages and SCEIS cont.



## Capital Assets recorded in SCEIS

- Additions, deletions, etc. are recorded in SCEIS.
  - Transfers between agencies are not recorded in SCEIS
- Reconciliation of 0600 expenditures to asset additions – this will still be required for 2009-10 for the portion of the year your agency was not on SCEIS.
- Assets additions not paid through 0600 expenditures, ex. Donations, can and should be recorded in SCEIS.
- Depreciation
  - Full and modified accrual depreciation are recorded in SCEIS.

# State Closing Packages and SCEIS cont.

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- For FY 2010, the Comptroller General's Office is assessing changes to the closing package procedures. You will be notified of changes before the closing packages are due.
- Every Agency, on SCEIS or not, is required to file closing packages.
- Bottom line – If the information is in SCEIS, it can be obtained for closing package purposes.
- Some information will require input by Agencies, some information can be obtained by SCEIS reports, and some information will never be available in SCEIS (or STARS).
- The CGO will continue to evaluate the closing package requirements.

# How Year-End Closing Affects SCEIS Agencies



- ☉ Some new Transaction Codes (T-codes) to learn to use.
- ☉ With SCEIS, it is more about learning to manage your data routinely and especially near the end of the year, particularly budgets, cash and encumbrances.
- ☉ If you were used to having several months to close your books and reconcile with STARS, this is not necessary as your books already reconcile with STARS. Info entered into SCEIS first, then STARS.
- ☉ Also, since SCEIS is the official state book of record and you record your transactions directly into this system, there is no need for reconciliation; however, this requires you to maintain the accuracy of your data in SCEIS.
- ☉ You must be finished processing, paying, budgeting, receipting goods and deposits, correcting, etc. in SCEIS by July 16<sup>th</sup>.

# Learning Activity 1

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- ☉ SCEIS will not have a fiscal month 13. **True/False**
- ☉ SCEIS Agencies will still be able to process transactions for the current year until July 16 - just like non-live Agencies. **True/False**
- ☉ SCEIS will provide all the information needed for the State's closing packages. **True/False**

# Lesson 1 Summary

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- 🌀 You should now be able to:
  - Define key terms and concepts.
  - Understand the State's year-end closing process.
  - Understand the purpose of the State's closing packages.
  - Understand the SCEIS year-end closing process.
  - Understand how year-end affects SCEIS and SCEIS Agencies.