



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

- 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 reporting packages.
 - Understand the SCEIS year-end closing process.
 - Understand how year-end affects SCEIS Agencies.

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

- The State Fiscal Year runs July 1 through June 30. This is also reflected in the State's STARS system.
- Fiscal Month corresponds to a month in the State fiscal year, where July is fiscal month 01 (FM01) and June is FM12.
- 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.
- 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



- 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 12th 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



- State fiscal year ends **June 30**.
- State allows several days in July for Agencies to pay bills and make corrections before closing the year.
- The last day of fiscal year 2011 for Accounts Payable processing is Friday, **July 15th**.
- No more Accounts Payable transactions can be posted to STARS or SCEIS after July 15th by an Agency.
- These dates are the same for SCEIS and non-SCEIS Agencies.

South Carolina Year-End Closing Process cont.



- 🌀 **July 15th** will be the closing date for **all Agencies** for Accounts Payable transactions.
- 🌀 The **CGO** will have until **July 22nd** to clear errors for Accounts Payable transactions – just as in the past.
- 🌀 The **CGO** will perform opening and closing periods of operation.
- 🌀 Plans are to prepare the **Statewide Comprehensive Annual Financial Report (CAFR)** from SCEIS for the current fiscal year.

South Carolina Year-End Closing Process cont.



STARS 2011

06/01 - 06/30/11	07/01 - 07/15/11	07/16 - 07/31/11
FM12 2011	FM13 2011	
	FM01 2012	FM01 2012

SCEIS 2011

06/01 - 06/30/11	07/01 - 07/15/11	07/16 - 07/31/11
Period 12 2011	Period 12 2011 (Accounts Payable)	Period 12 2011 (Reclass JEs) thru 07/29
	Period 1 2012	Period 1 2012

New Reporting Packages

- ❶ Closing Packages will be converted to Reporting Packages:
 - Purpose will focus on confirming information recorded within SCEIS and reporting information not available in SCEIS.
 - Information available in SCEIS should be utilized by the agency to verify information utilized by the CGO in the statewide reporting.
 - Accuracy of SCEIS information as well as other information communicated through reporting packages is necessary for the preparation of the Statewide CAFR.
 - The CGO and SCEIS are working towards production of the CAFR from SCEIS for 2011.

Year-End Reporting

- Agencies are familiar with the transactions processed throughout the year. This makes agency personnel the best source of data for CAFR reporting.
- The CGO is responsible for gathering, formatting, and publishing the Comprehensive Annual Financial Report (CAFR) for the State of South Carolina.
- The CAFR cannot be published without open communication and cooperation from the agencies which transact the daily operations of the State.

Year-End Reporting cont.

- **Reporting Packages** will be used by the CGO to aid in the preparation of the State's (CAFR).
- **Reporting Packages** are required to effectively communicate the aggregation of amounts at year-end required for financial statement presentation and other non-financial information required for note disclosure.

Reporting Packages and SCEIS



SCEIS should be utilized by Agency personnel to identify and track some of the information required by the reporting packages, such as the following:

- ❶ **Accounts Payable** paid in months after fiscal year-end that pertain to the prior fiscal year.
 - In order to provide this information later, agencies will be required to identify this information as a payment is processed in the months after June 30. This will be discussed in detail in Lesson 6.

Reporting Packages and SCEIS cont.

- **Miscellaneous Revenue**
- **Tax Revenue** receivables and payables related to taxes, including Taxes receivable, Refunds payable, and Deferred revenue.
- **Capital Assets** and related activity will be obtained from the SCEIS subsidiary ledger. Additionally, contract information may be requested when necessary.

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
 - Transfers to/from another “live” agency may be done with a Helpdesk ticket requesting this entry be done centrally.
 - If this transfer was not done centrally, you will need to identify this transfer to the CGO for CAFR purposes.
 - Transfers to/from a “non-live” agency, will show as an addition or retirement on SCEIS and will need to be identified to the CGO for CAFR purposes.

State Closing Packages and SCEIS cont.



- Reconciliation of equipment expenditures to asset additions –this will not be required if you were on SCEIS for the entire year. If conversion was in mid-year, you may be required to do this reconciliation for the portion of the year your agency was not on SCEIS.
- Assets additions not acquired through expenditures, ex. Donations, can and should be recorded in SCEIS.
- Depreciation
 - Full and modified accrual depreciation are recorded in SCEIS automatically and agencies will not be required to determine these amounts.

Reporting Packages and SCEIS cont.



- For FY 2011, the Comptroller General's Office is in the process of modifying all reporting packages to better utilize SCEIS and provide more effective and efficient information gathering techniques. As in the past the CGO will send out reporting packages in the first week of June.
- Every Agency is required to submit reporting packages.
- SCEIS reports will be provided to agencies for verification and validation by agency personnel. Other information not recorded in the general ledger will need to be provided by agency personnel.
- The CGO continues to evaluate reporting package requirements to be responsive to information sources and requirements by users of the CAFR.

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 is entered into SCEIS first, then STARS.
- ☛ SCEIS team has been reconciling SCEIS and STARS.
- ☛ You must be finished processing accounts payable, paying, budgeting, receipting goods and deposits, correcting, etc. in SCEIS by July 15th.
- ☛ As done in the past, CGO will allow reclass entries not having a State level impact until July 29th.

Learning Activity 1

- ☛ SCEIS will not have a fiscal month 13. **True/False**
- ☛ SCEIS Agencies will still be able to process A/P transactions for the current year until July 15 - 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

- 🌀 You should now be able to:
 - Define key terms and concepts.
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 - Understand how year-end affects SCEIS Agencies.