Section	18	PERIOD END	Effective Date	6/30/2017
Sub-section	05	FY 2017 Form 78 Calculations/Adjustments	Revision Date	8/28/2017
SAM Ref	n/a			

BACKGROUND

Due to several factors - including an Oracle Bug that impacted the Commitment Control subsystem late in the fiscal year - the State Controller's Office manually reviewed several Form 78 fields and adjusted them as described below.

PROCEDURES

BALANCE FROM PRIOR YEAR
In FY 2017, the State Controller's Office began to move to an equity-based beginning balance calculation. However, for approximately 350 appropriations, there is more than a $10 difference between the ending FY 2016 Closed Balance Continuing, and the FY 2017 Balance from Prior Year. For 132 of these appropriations, this difference existed in WiSMART, and was transferred into STAR in the conversion. The primary reasons for these pre-existing WiSMART differences are 1) transactions that were incorrectly recorded directly to equity in WiSMART; and 2) AP (budgetary) transactions that incorrectly affected the beginning cash memo field on the EAP2 table.

The SCO recognizes that it will not be possible to research and adjust all beginning balance vs. equity differences that existed prior to STAR before the FY 2017 year-end closing. Therefore, for the 350 appropriations that have more than a $10 difference between the ending FY 2016 Closed Balance Continuing and the FY 2017 Balance from Prior Year, the FY 2017 Balance from Prior Year will be changed to equal the ending FY 2016 Closed Balance Continuing. The SCO will work with agencies after the closing to develop procedures to bring these two amounts in balance or educate state accounting staff on why they can be different.

REVENUES
Because the Oracle Bug impacted the consistency of the transactions posted to the recognized revenue ledger and the collected revenue ledger, and because certain project journals cannot be easily related to the underlying AR transactions, the SCO was forced to revert to the collected revenue calculation that was used in FY 2016. That calculation is:

Current Year Revenues Recorded in the Actuals Ledger
Subtract or Add: Change in Accounts Receivable from 7/1/2016 to 6/30/2017 (accts 1301000 – 1490000, excluding 1352000) – adjusted for non-revenue receivables

Equals: FY 2017 Collected Revenues

State agencies assisted the SCO in analyzing non-revenue receivables, and ensuring that any of the non-revenue transactions related to the receivables were not adjusted later in FY 2017 to revenues.

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UNLIQUIDATED ENCUMBRANCES

The Oracle Bug impacted the consistency of the transactions posted to the Encumbrance Ledger (CC_APPR_EN) and to the Activity Log. The encumbrance total in the Activity Log is the basis of the "Unliquidated Encumbrances" amount listed on the Form 78.

The SCO performed a reconciliation of the PO Roll amount by appropriation with the Encumbrance Ledger (CC_APPR_EN) and the Activity Log. The SCO adjusted appropriations where the Encumbrance Ledger and the Activity Log disagreed with the PO Roll amount. In addition, there were approximately 37 appropriations where once the Activity Log amount was adjusted to agree with the PO Roll amount (this was done via an entry to the Encumbrance Ledger), there was a remaining difference between the Encumbrance Ledger and the Activity Log. To correct this, an additional entry was made to the Encumbrance Ledger, and then that entry was removed from the Activity Log via an SQL statement.

EXPENSES

The SCO reconciled the expenses in Commitment Control with the expenses in the Actuals Ledger as of March 31st. However, the Oracle Bug began to impact this reconciliation after March 31st. During July/August 2017, the SCO performed a full Appropriation-Level reconciliation of expenses between Commitment Control and the Actuals Ledger, and initiated budget-journal transactions to bring the two in balance. In a few cases, there was a need to make an entry to the actuals ledger instead.