



FAQ 2024 AP YEAR-END ACCRUAL PROCESS

QUICK REFERENCE GUIDE AP-43

AP

Purpose

The purpose of this Quick Reference Guide (**QRG**) is to provide answers to the most frequently asked questions regarding NCFS Accounts Payable Year-End Accrual Process.

Introduction and Overview

This QRG covers frequently asked questions regarding NCFS Accounts Payable Year-End Accrual Process.

Frequently Asked Questions

Shown below are the frequently asked questions in relation to the AP Year-End Accrual Process.

What happens if you don't use a spreadsheet to enter invoices?

It is not required to enter an accrual code in the spreadsheet. When manually keyed in NCFS, accrual codes can be entered directly on the invoice.

Could you explain what Party Payments are?

Payments to persons or entities not registered as Suppliers in NCFS are referred to as Party Payments. These funds cannot be reported on a 1099. These payments must go through OSC for upload or be sent from an agency subsystem interface.

Would a field allow an accounts payable clerk to acknowledge that an invoice shouldn't be incurred, and would that comment appear on the report in some way?

Currently, the report does not have a field for this. For next year, we are considering including that.

What happens to SBITAs funded by the government if we haven't decided everything about them by July 21st?

If material assets and/or cost adjustments (\$10 million or above for individual asset/adjustments) are identified after the NCFS fixed asset module deadline (July 21st, 2024), the agency should notify their OSC analyst as soon those assets/adjustments are identified. For all asset and cost adjustments (regardless of the amount), the agency should also answer questions/identify them on the ACFR package worksheets (applicable 201 & 203 worksheets). For adjustments \$10 million or above, the OSC analyst will provide the guidance and entries needed to be done in the NCFS fixed asset module and accrual general ledger for FY24 and FY25. These entries will ensure the NCFS fixed asset module, NCFS accrual general ledger, and ACFR compilation records stay in balance. Assets deemed not significant by OSC will not be reported in the current fiscal year and will be an adjustment to the July 1 balance in the following year (i.e., a restatement).

Will accrual codes (like NCAS) simply appear on a report, from which we will produce a journal entry even though we are using them in NCFS? That means, these accruals will need to be manually journaled, is that right? It's right that the system won't connect them straight to the General Ledger (GL)?

Correct. These indicators don't communicate with the General Ledger directly; instead, they are kept in a DFF (Descriptive Flex Field) on the invoice line.

Can you copy the formatting that has been applied on a cell's initial line in Excel and then go back and override using the paste special values only command?

Yes, this should function if you're referring to the ADFDI spreadsheet upload. Just keep cell formatting and values in mind.

On June 19, our AP tech paid the Bank of America PCard, but the payment isn't showing up in the PPR. Is this the result of you preventing them from proceeding? There doesn't appear to be a reason why it is failing.

Payments for invoices that have already been interfaced into NCFS can be paid prior to the deadline, even if interface was halted on June 24. Verify the installment's due date to make sure there are no holds. The invoice must also be approved and validated. If you require additional help, please submit a ticket by emailing NCFS@ncosc.gov and include the invoice ID.

What if we don't have journal entry access and have never worked in Journal entries?

You would need to submit a security request to have access granted. Please contact your Agency's NCFS Security Administrator.

Why would we need to key an accrual to both accrual and modified accrual?

Related to removing the accrual code for fixed assets, capitalized agencies need to be concerned about June invoices not paid by 6/28.

Do all accrual entries need to be entered twice, once as a modified accrual ledger and to the full accrual ledger?

Yes, that is correct.

Can you demonstrate the process of accruing an invoice while logged into Oracle and making a payment?

This was shown in real time during the training sessions and can be referenced on Slide 15 of the presentation, which shows the navigation. To complete this step, the Invoice Management user must be in "Edit" invoice mode.

Has NCFS been updated with the NC AP Accrual Reports?

We anticipate having these findings available from NCFS within the first week of July after concluding the last round of testing.

Will we be able to copy and paste the indicators when creating invoices from spreadsheets or will the system reject it if copy and paste is used?

Copy/Paste will work, but it needs to be precise with no extra spaces. Just keep cell formatting and values in mind.

Is there a quicker way to run reports in NCFS?

Emailing and scheduling reports is possible. For assistance, you can also consult GEN-05 QRG on the OSC Training website.

Will we be able to copy and paste the indicators when creating invoices from spreadsheets or will the system reject it if copy and paste is used?

Copy/Paste will work, but it needs to be precise with no extra spaces. Just keep cell formatting and values in mind.

Is there a report we can run to view invoices for June or earlier that were paid in July if Accounts Payable failed to include the accrual code in the payment?

All invoices created before June 30th but unpaid will be displayed on the RTR-172. All invoices created on July 1st or later will be displayed on the RTR-177.

Can you please go over the PCard part again?

When the system is restored on July 2, PCard invoices that interfaced after June 27 will no longer be accessible for payment by the PPR cut off.

When AP keys in an invoice in July that needs to be accrued, do they need to be in the cash data access set?

When invoices are keyed in the AP Module, the cash data access set should be used. The accrual entries should be keyed/uploaded to both the accrual and modified accrual ledgers.

If there is a June invoice that's in NCFS on 6/28 and is validated but not paid and we see the accrual code is incorrect on the report, can we change the code manually by going into NCFS or do we have to enter a JV into NCFS to change the liability account accrual code?

In this case, a JV is necessary. For the report to generate the necessary data for the JV, OSC advises changing the accrual code on the invoice.

Do you have a visual example of how AP staff put the codes in after July?

This was shown in real time during the training sessions and can be referenced on Slide 15 of the presentation, which shows the navigation. To complete this step, the Invoice Management user must be in "Edit" invoice mode.

How do we ensure that manual accrual journals are not duplicating the PO receipt-based liabilities automatically posted by receipt accounting?

We are still researching this.

As a fixed asset person, where can I find this information for what is accruing so that I can let my AP staff know what I'm capitalizing?

There will be accrued invoices for capitalized assets. The asset capitalization threshold serves as the basis for this. An asset will generally accumulate if it's worth is \$5,000 or more.

How can I tell if something has been accrued?

You can check if an asset is capitalized and its accrual or depreciation via Asset Inquiry.

Will NCFs automatically do the reversal for the NCAS 33 entries, or do we have to manually enter the reversal in NCFs to reverse last year's accruals?

Jun 2023 entries were reversed in July 2023 in the NC Accrual and NC Modified Accrual ledgers. To view the Jun 2023 entries that were reversed in July 2023, run the RTR-165 report for the NC ACCRUAL or the NC MODIFIED ACCRUAL ledger for Jul-23 period, and filter for the journal batch that begins with the NCAS Conversion Data XXXX Jul-23 Conversions (XXXX is the agency number) with the Category R3 NCAS Conversion.

When is a transaction entered in the cash ledger vs accrual ledger vs modified accrual ledger?

Invoices resulting in capitalized assets will accrue. This is based on the asset capitalization threshold. A general rule of thumb is an asset values at or above \$5,000 will accrue.

Where can I locate the information for what is accruing, so that I can let my AP staff know what I'm capitalizing?

13_Jun-24 entries should only be posted to the cash ledger if the account is reported in the Adjustments to Cash area of the BD701 report. All other 13_Jun-24 entries for accruals should be posted to the accrual and modified accrual ledgers.

What is the best way to determine if we have any invoices created and validated but unpaid?

You can run the NC Prepayment Register Report (RPTAP001), or you can run an advanced search using the Manage Invoices function under Payables in NCFs. You can add Validation Status and Paid Status to your search parameters.

Where would we get the ADFI Invoice Upload Spreadsheet?

If you go through the Payables tab> Invoices app, and then click on the Tasks pane, click the Create Invoice from Spreadsheet task link, this will initiate the spreadsheet download.

Are there no columns on the party payments spreadsheet for the accrual code??

This option is not available currently.

July accruals - if you have added the accrual code when entering the A/P transaction, do you still have to do a manual entry after reviewing the report? If not, is a manual entry only needed for changes to the accrual code?

All July accruals will require a JV. OSC suggests updating the accrual code on the invoice so the report will create the data for the JV needed.

Are there 2 accrual entries - journal entry and manual and will AP be responsible for the journal entry?

The 2 accrual entries will be posted separately to the NC ACCRUAL ledger and the NC MODIFIED ACCRUAL ledger.

Why are we accruing on June 28th?

NCFS automatically accrues to the accrual ledgers. The use of the accrual ledger for June invoices reduces steps for AP users. Less lines will have to be flagged on the June invoices since they are auto accruing on the accrual ledger. This is only for invoices entered, validated but unpaid as of 6/28.

On the 28th of June, will all those lines have to be manually entered?

If invoices are entered before 6/28 but not validated, then yes those will need to be manually accrued. The system won't accrue the invoice until the invoice is in a Validated status.

Wrap-Up

Provides answers to the most frequently asked questions regarding NCFS Accounts Payable Year-End Accrual Process