# 2019 Year End Best Practices

## OVERVIEW

This checklist is the recommended guide for closing the fiscal year for those who would like to follow a single path through the year end process. It is designed to be a concise step-by-step checklist to use *in conjunction with* the Year End Procedures booklet. Please refer to the Year End Procedures when greater detail on any particular step is needed.

*Please Note:* The Year End Procedures booklet will be available after installing the year end update disc: From the Windows desktop, click *UAN Tools* → *Version Documentation* → *2020.1*

**When using this guide, you *MUST NOT* skip around; you must complete steps in the exact order presented.** Skipping back and forth through this checklist may result in having to repeat the same steps multiple times.

Certain steps have been flagged with a ☆. The star icon signals that you can take immediate action to gather outside information, prepare, or organize data before you have reached that step in the checklist. For details, read the year end procedures section referenced in each step with the star icon.

## TEMPORARY APPROPRIATIONS

Your governing board should adopt 2020 temporary appropriations by December 31, 2019 in order to authorize encumbrances and expenditures on and after January 1, 2020. Temporary appropriations should include all expenses you may incur throughout the *first* quarter of the year.

## INSTALL

Install 2020.1 before beginning the year end process.

## OPEN TEMPORARY MODE (ANYTIME AFTER DECEMBER 1)

*For detailed information, see Appendix 1 and Step 3: Open Temporary Mode section of the year end procedures.*

Open Temp Mode (General → Maintenance →Year End →Open Temporary Mode)
- ☐ Year End Renaming form – optionally revise Withholding Names.
  Renaming is **only** possible when opening Temporary Mode - you **cannot** change existing withholding names **at any other time** during the year. When ready, save the form (with or without changes) and the application will process for 1-10 minutes. A message will open announcing UAN is in Temporary Mode. Click OK and UAN will close.
- ☐ Login to UAN and you will now have the option to choose the work year 2019 or 2020.

*Reminder (from Year End Procedures Appendix 1):* the rules that have governed post dates throughout 2019 still apply during year end:
- You can never *backdate* printed warrants in UAN; therefore, you cannot print warrants with a 2019 post date after the calendar date has passed December 31, 2019. However, remember that receipts and electronic payments *may* be backdated to reflect the actual calendar date that online (or phone) transactions were made, in order to be cleared on the correct bank reconciliation.
- You can *forward* date any payments up to thirty days beyond the calendar date **within the work year**. Consequently, in order to post transactions in the fiscal year 2020, you must log in to the work year

2020.  The only dating restriction specific to Temporary Mode is that 2020 transactions cannot be dated beyond the Temporary Mode period (sixty days after December 31, 2019). In other words, in order to post transactions dated March 1, 2020 or later, you must first close the fiscal year 2019.

## NEW YEAR ACCOUNTING PROCEDURES (AFTER OPENING TEMPORARY MODE)

*For detailed information, see Appendix 4: New Year Accounting Procedures of the year end procedures.*

- ☐ Login to the work year 2020.
- ☐ Add new items you will need in the new year.  The most common items are:
    - ☐ Funds (Accounting → Maintenance → Funds)
    - ☐ Cost Centers (Accounting → Maintenance → Cost Centers)
    - ☐ Revenue Accounts (Accounting → Maintenance → Revenue Accounts)
    - ☐ Appropriation Accounts (Accounting → Maintenance → Appropriation Accounts)
    - ☐ Vendor / Payees (General → Maintenance → Vendors/Payees)
- ☐ ☆ Add Revenue Budgets.
    - ☐ Add Revenue Budgets (Accounting → Maintenance → Revenue Budgets)
    - ☐ Print the Revenue Status (Accounting → Reports & Statements → Revenue Reports)
        - ☐ Confirm individual amounts were entered correctly and each fund matches total of the Taxes and Other Sources columns on the most recent Official Certificate of Estimated Resources.
- ☐ ☆ Add Appropriation Budgets (after passing appropriation legislation).
    - ☐ Add Appropriation Budgets (Accounting → Maintenance → Appropriation Budgets)
    - ☐ Print the Appropriation Status (Accounting → Reports & Statements →Appropriation Reports)
        - ☐ Confirm individual amounts were entered correctly and fund totals match your appropriation legislation.
- ☐ Add New Purchase Orders.
    - ☐ Add Purchase Orders (Accounting → Transactions → Purchase Orders).  If you tend to use similar purchase orders from year to year, consider using the Duplicate button.  For instructions, click 'How To Duplicate POs' under the FAQs menu when the Purchase Orders area is open.

## NEW YEAR PAYROLL PROCEDURES (AFTER OPENING TEMPORARY MODE)

*For detailed information, see Appendix 5: New Year Payroll Procedures of the year end procedures.*

- ☐ Login to the work year 2020.
- ☐ Update payroll for the new year.  The most common updates are:
    - ☐ Add any new earnings/leaves or withholdings to the software list.
        - ☐ Add earnings or leaves (Payroll → Maintenance → Earnings/Leave).
        - ☐ Add withholdings (Payroll → Maintenance → Withholdings).
    - ☐ Add any new earnings/leaves or withholdings to assign to individual employees.
        - ☐ Add employee earnings (Payroll → Maintenance → Employees).
        - ☐ Add employee leaves (Payroll → Maintenance → Employees).
        - ☐ Add employee withholdings (Payroll → Maintenance →Employees).
    - ☐ Update Withholding Rates.
        - ☐ Update rates in the main withholding list. (Payroll → Maintenance → Withholdings).

&#9744;          Update rates for withholdings assigned to employees (Payroll → Maintenance → Withholdings Editor).

&#9744;   Update Withholding Skip Calendars.

&#9744;          Add & Apply using the Skip Calendars Editor (Payroll → Maintenance → Skip Calendars Editor).

*Reminder*: Only employee withholdings that are set to skip deductions under Payroll → Maintenance → Employees will be available to apply a skip calendar.

&#9744;   Evaluate Leave Balances.

&#9744;          If you need to adjust leave balances in the new year, pay particular attention to the date you are paying wages, the pay period of the wages, and the date the leave changes are effective pursuant to your policy and then adjust them at the proper time. Please note: do not complete this step until all payrolls that will be posted with a 2019 date are complete, including any bonus or leave payouts. (Payroll → Utilities → Leave Balance Adjustment).

**Please Note:** You are ready to begin posting accounting and payroll transactions for the fiscal year 2020.

## STEPS TO CLOSE FISCAL YEAR 2019 (WHEN YOU ARE READY)

*Reminder*: you must have 2019 closed before the calendar date of March 1, 2020. Otherwise, the application will lock you out of the work year 2020 until 2019 is closed.

&#9744;   Login to the work year 2019.

&#9744;   Complete all 2019 Transactions.

&#9744;   Verify Carryover Withholdings.

*For detailed information, see Step 4H - Carryover Withholdings and Appendix 3 of the year end procedures.*

&#9744;          Print the Withholding Summary for 2019 (Payroll → Reports & Statements → Withholding Reports; make sure you <u>do not</u> change the report status from the default *Unpaid*).

&#9744;          Confirm whether the list of withholdings should carry over to 2020 for payment. If a message opens that reads 'there is no data to report,' it means there are no remaining unpaid withholdings from wages posted in 2019.

<u>Note</u>: when printing the unpaid withholding report *as of 2019* it is proper for it to continue to list withholdings that were deducted from 2019 wages, but *already paid* to the withholding agencies in the work year 2020 (if any).

&#9744;          Post any withholdings that are due for payment before closing the year (Payroll → Transactions → Withholdings Payments). Reminder: if the calendar date is already on or after January 1, you should post the warrant payments while logged into the work year 2020 i.e. you cannot backdate printed warrants.

&#9744;          Clear any unpaid withholdings that you paid previously from Accounting instead of Payroll and/or that you should not carry over into 2020. (Payroll → Utilities → Unpaid Withholding Clear).

&#9744;   Close (or Reduce) Purchase Orders.

*For detailed information, see Step 4G - Carryover Purchase Orders of the year end procedures.*

&#9744;          Close purchase orders that should not be carried over into 2020 (Accounting → Utilities → Purchase Order Utility, using the Close Item button). Note: you cannot close purchase orders that you have already used in 2020 (i.e. carryover purchase orders), but you can reduce them.

&#9744;          Reduce purchase orders that you intend to carry over to the amount needed after 2019 is closed (Accounting → Utilities → Purchase Order Utility, using the Adjust button).

☐ Verify W-2/W-3 and 1099/1096 form information.
*For detailed information, see Appendix 2 & 3 of the year end procedures.*
Enter corrections before closing 2019. Edits to some of the following forms will not automatically update 2019 W-2 forms if done in the work year 2020 and more time-consuming manual edits will be necessary.

    ☐ Verify Employees' Name, Address and Social Security Number (Payroll → Maintenance → Employees).

    ☐ Verify Local Tax W-2 Abbreviations and School District Numbers (Payroll → Maintenance → Withholdings).

    ☐ Verify the Federal and State Tax IDs and the entity address (General → Maintenance → Entity Setup, Entity Information tab).

    ☐ Print the W-2 Report and confirm information (Payroll → Reports & Statements → Tax Reports-Federal).

    ☐ Add and Print the W-2 & W-3 Forms when you are ready – or this step can be completed after advancing to the new year (Payroll → Reports & Statements → External Forms → W-2 & W-3 Forms and make sure the 'Report Year' drop-down menu is set to 2019).

    ☐ Print the Vendor/Payee 1099 & 1096 Report and confirm information. (General → Reports & Statements → Vendor/Payee Reports; to print vendor social security and tax ID numbers, checkmark the checkbox in the Options tab).

    ☐ Add and Print 1099 Misc and 1096 Forms when you are ready. Or this step can be completed after advancing to the new year (General → Reports & Statements → Year End →1099-Misc & 1096 Forms and make sure the 'Report Year' drop-down menu is set to 2019).

☐ Work through the Year End Checklist form (General → Maintenance →Year End → Year End Checklist).
*For detailed information, see 'Step 4: Year End Checklist' of the year end procedures.*
Note: a green checkmark icon will display on each tab when the <u>minimum</u> required fields are completed.

    ☐ Overview – skip this tab for now.

    ☐ 4A-Batch Transactions – you must post or delete all 2019-batch transactions before closing the year.

    ☐ ✩ 4B-AFR Demographics & Debt – select a Submission Type and complete all entries applicable to the entity.

    ☐ 4C-Annual Financial Reports – select the AFR Filing Type that will be submitted. The red 'Incomplete' icon will display until you complete additional steps covered later in this guide.

    ☐ 4D-Entity & Fiscal Officer – enter your most current contact information. Verify the fiscal officer name and entity information.

    ☐ ✩ 4E-Hardware & Mailing – enter hardware tag numbers, hardware address, and mailing address.

    ☐ 4F-Next Year FO & Details – select and enter newly elected fiscal officer contact information (when applicable).

    ☐ 4G-Carryover Purchase Orders – verify the purchase orders that should carry over into 2020 (if any). Purchase orders carried over will reduce resources available for appropriation in 2020. Before closing the fiscal year 2019, close purchase orders that should not carry over and reduce purchase orders with remaining balances that are in excess of the amount you need to carry over for 2020 payments (whether posted or to be posted). Wait until you are about to close 2019 to mark the checkbox.

    ☐ 4H-Carryover Withholdings – verify the total amount of withholdings that should carry over for payment in 2020 (if any). Carryover withholdings will reduce resources available for appropriation in 2020. If there are withholdings listed that were already paid (or will be paid) in the work year 2020, it is proper for the software to continue to report them as unpaid withholdings as of 2019. Wait until you are about to close 2019 to mark the acknowledgment checkbox.

☐ Complete the December 31 Bank Reconciliation on or after the calendar date of December 31.
(Accounting → Transactions → Bank Reconciliation)
*For detailed information, see Step 5: Bank Reconciliation of the year end procedures.*

☐ Complete the AFR-Fund Utility (General → Reports & Statements → Year End → AFR-Fund Utility)
☐ Complete for either Regulatory or OCBOA AFR filing.
*For detailed information, see Step 4C - Annual Financial Reports of the year end procedures.*

☐ ☆ Complete manual input of required information (only of items applicable to the entity).
*For detailed information, see Appendix 2 of the year end procedures.*
***ALL*** *of the following menu items are located under* General → Reports & Statements → Year End …
☐ → Cash & Assets Not Recorded
☐ → Cash Reconciliation
☐ →Schedule of Debt Service
☐ → Schedule of Outstanding Debt
☐ Print the relevant reports after you have entered the data applicable to the entity. Each of the four menu areas listed above includes a Print button for this purpose.

☐ Complete AFR-Component Units (General → Reports & Statements → Year End →AFR-Component Units).
It is ***very rare*** for this to be applicable to UAN clients, and when applicable, *only* for OCBOA filing.
*For detailed information, see 'OPTION #1 For Step 4C OCBOA Reporting' of the year end procedures.*

☐ Print Regulatory **or** OCBOA AFR statements depending on your filing choice:
*For detailed information, see Appendix 2 of the year end procedures.*

☐ AFR-Regulatory (General → Reports & Statements → Year End →AFR-Regulatory Statements)
☐ Combining Statement – Governmental
☐ Combining Statement – Proprietary and Fiduciary
☐ Combined Statement – Governmental
☐ Combined Statement – Proprietary and Fiduciary
☐ Comparison of Budgeted and Actual Receipts
☐ Comparison of Disbursements and Encumbrances
☐ Reconciliation of Interfund Transactions

☐ AFR-OCBOA (General → Reports & Statements → Year End →AFR-OCBOA Statements)
☐ Net Position
☐ Activities
☐ Governmental – Fund Balances
☐ Governmental – Changes
☐ Proprietary – Net Position
☐ Proprietary – Changes
☐ Proprietary – Cash Flow
☐ Fiduciary – Net Position
☐ Fiduciary – Changes
☐ Budgetary

☐ ☆ Add-in files that you create outside of the UAN application using AFR-Notes & Documents (General → Reports & Statements → Year End → AFR-Notes & Documents, select Year 2019).

<u>Notes to the Annual Financial Statements are required</u>. You can include other documents when audit requires or requests them and/or other supporting documents that you choose to submit.
*For detailed information, see Appendix 2 of the year end procedures.*

**Important**: You **cannot** submit separate files. You are required to add all external documents applicable to the entity into UAN in order for UAN to compress them into the AFR-AOS Backup - which is a single file created during the year end close that you choose to submit automatically by internet or on a disc. You are required to complete all steps prior to the final year end audit submission (AFR-AOS Backup) and UAN must receive it *before the deadline* set by the Auditor of State - financial penalties may be assessed for late filings.

☐ Close the fiscal year on or after January 1, 2020.
*For detailed information, see 'Finish: Close The Year' of the year end procedures.*
  - ☐ Open the Year End Checklist (General → Maintenance → Year End →Year End Checklist).
  - ☐ 4G-Carryover Purchase Orders – review again and when you are ready, checkmark to acknowledge that you understand the effect that any carryover purchase orders will have on the 2020 budget.
  - ☐ 4H-Carryover Withholdings – review again and when you are ready, checkmark to acknowledge that you understand the effect that any carryover unpaid withholdings will have on the 2020 budget.
  - ☐ Click the Finish (Close the Year) tab and it *should* display a green flag if all prior steps are complete. <u>Note</u>: if the flag is still red and the 'Close 2019' button is tinted gray, then you have not met the minimum technical requirements to close the year. Review the red 'Incomplete' tabs to address unfinished steps.
  - ☐ Carefully read the Finish (Close the Year) page. When you are ready to certify the accuracy and completeness of the AFR submission and the entity's responsibilities, checkmark the acknowledgment statement (☑ 'I affirm …').
  - ☐ Click 'Close 2019' and follow the messages that guide you through the close and three backups: the 2019 Year End and 2020 Year Begin for the entity to retain and the third is in a special format for year end audit submission: AFR-AOS Backup. You have two options for the AFR-AOS Backup:
    - ☐ Internet Submission: if you choose this, make sure you have an active internet connection so that it will automatically upload the AFR-AOS Backup.
    - ☐ Postal Submission: if you choose this, use a blank disc and follow the message instructions to label the AFR-AOS Backup disc immediately and mail it to the address indicated.

  <u>Note</u>: After the AFR-AOS Backup is complete, you will receive a final message. Read the important information on the message and click OK. <u>UAN will close automatically</u>.

## STEPS AFTER CLOSING FISCAL YEAR 2019

☐ Login to UAN to confirm it is in 2020 (there should be no Work Year or Temporary Mode notice).

☐ Print Cash Summary by Fund (Accounting → Reports & Statements → Fund Reports).
*For detailed information, see 'Steps after Closing the Fiscal Year' of the year end procedures.*

> ☐ Print the Cash Summary by Fund for December 2019 and for January 2020 to confirm the fund balances carried forward correctly.

☐ Add and print the Year End Balance Certificate to send to the county auditor (Budget → Transactions → Year End Balances Certificates. Note: the 'Year' drop-down menu should be 2020 with a gray subtitle: 'Balances as of 12/31/2019'). *For detailed information, see Appendix 6 of the year end procedures.*

☐ **Meeting Annual Reporting Requirements for the Auditor of State**
Each local government is required to submit their AFR to the Auditor of State within <u>sixty (60) days of the end of the fiscal year</u>. Meeting this requirement for UAN members occurs when the 2019 AFR internet upload (or disc) containing the end of year filing data of the government is received by UAN.

> *Reminder*: the final 2019 AFR-AOS Backup internet (or disc) submission must include all that is applicable for your entity: Hinkle System data entry for Demographics & Debt, other manually input reports and compressed add-in documents. Financial penalties may be assessed for late filings.

> ☐ <u>Verify the AFR filing status</u> (General → Maintenance → Year End → AFR-Filing Status). This will open the AOS eServices 'Customer Log-in' page where you can confirm the status on the Hinkle System. *For detailed steps on using AOS eServices for this purpose, see the 'Steps after Closing the Fiscal Year' section of the year end procedures.*
> > ☐ If submitted by internet, check the filing status 3 business days after uploading.
> > ☐ If submitted by mail, check the filing status 5 business days after mailing.

☐ Publish a notice in the local newspaper that the Annual Financial Report is complete and available at the office of the fiscal officer.
*For detailed information, see 'Steps after Closing the Fiscal Year' of the year end procedures.*

☐ Authorize UAN to submit 2019 annual financial information on your behalf to OhioCheckbook.com (*optional*).
*For details, see 'Steps after Closing the Fiscal Year' of the year end procedures.*

☐ Print Year End Reports i.e. December 31, 2019 year-to-date reports.
*For detailed information, see Appendix 2 of the year end procedures.*
Reports commonly printed by UAN entities for year end purposes are in the following list.
*Reminder*: In each report area, be sure to select 2019 from the Year drop-down menu. Depending on the report, the date range must be set to either the 'Year' button or 'As of' 12/31/2019.

> ☐ Appropriation Reports (Accounting → Reports & Statements → Appropriation Reports)
> > ☐ Appropriation Ledger and the ☐ Appropriation Status
> ☐ Bank Reconciliation Summary (Accounting → Reports & Statements → Bank Reconciliation Reports)
> ☐ Cash Journal (Accounting → Reports & Statements → Cash Reports)
> ☐ Fund Balance Adjustment Listing (Accounting → Reports & Statements →Fund Balance Adjustment Reports)
> ☐ Fund Reports (Accounting → Reports & Statements →Fund Reports)
> > ☐ Cash Summary by Fund and the ☐ Fund Status
> ☐ Interfund Advance Listing (Accounting → Reports & Statements →Interfund Advance Reports)
> ☐ Interfund Transfer Listing (Accounting → Reports & Statements → Interfund Transfer Reports)

- Investment Journal (Accounting → Reports & Statements → Investment Reports)
- Purchase Order Status (Accounting → Reports & Statements → Purchase Order Reports)
    - Click the Filters tab and select 'All' from the Status drop-down menu.
- Receipt Listing (Accounting → Reports & Statements → Receipt Reports)
    - Click the Sorting tab, then select 'Deposit Ticket then Receipt Number'.
- Revenue Reports (Accounting → Reports & Statements → Revenue Reports)
    - Revenue Ledger and the □ Revenue Status
- Vendor/Payee Reports (General → Reports & Statements →Vendor/Payee Reports)
    - Vendor/Payee Payment Register and the □ Vendor/Payee Receipt Register
- Wage Reports (Payroll → Reports & Statements → Wage Reports)
    - Wage Withholding Detail and the □ Wage Base Detail
- Withholding Reports (Payroll → Reports & Statements → Withholding Reports)
    - Withholding Summary (the default setting is *Unpaid*)
    - Withholding Summary (click the Filters tab and change the Status to *Paid*)
    - Withholding Summary (click the Filters tab and change the Status to *Cleared*)

- Add and Print W-2 & W-3 Forms if you did not complete it in the earlier step (Payroll → Reports & Statements → External Forms → W-2 & W-3 Forms and change the 'Report Year' drop-down menu to 2019). *For detailed information, see Appendix 3 of the year end procedures.*
- Add and Print 1099 Misc and 1096 Forms if you did not complete it in the earlier step (General → Reports & Statements → Year End →1099-Misc & 1096 Forms and change the 'Report Year' drop-down menu to 2019). *For detailed information, see Appendix 2 of the year end procedures.*
- Add and Print 1095 and 1094 Forms *only if* applicable. Per the IRS, only Applicable Large Employers (ALEs) and Self-Insured Coverage (SIC) providers must file 1095 and 1094 forms (Payroll → Reports & Statements → External Forms → 1095 & 1094 Forms and change the 'Report Year' drop-down menu to 2019). *For detailed information, see Appendix 2 of the year end procedures.*

## AFTER RECEIVING THE AMENDED CERTIFICATE

Complete the following after you receive the 2020 Amended Certificate of Estimated Resources from the county auditor. *For detailed information, see Appendix 4 of the year end procedures.*

- Verify the Revenue Budgets.
    - Print Resources Available for Appropriation (Accounting → Reports & Statements → Budgetary Reports).
        - Confirm the Estimated Revenue column for each fund matches the total of the 'Taxes' and 'Other Sources' columns for each fund on the most recent 2020 Amended Certificate of Estimated Resources from the budget commission. Also, verify that the Total Estimated Resources on the report matches the Total Available for Appropriations on the most recent Amended Certificate of Estimated Resources.
- Print Comparison of Budget and Appropriated (Accounting → Reports & Statements → Budgetary Reports).
    - Confirm the Final Appropriation amount for each fund equals the fund subtotals on the appropriation legislation. The amount for each fund in the variance column should be a positive number or zero. It should not be negative (if it is negative, please review Appendix 4 of the year end procedures for further explanation).

*Reminder*: you are required to pass permanent appropriation legislation and input the amounts into UAN on or before April 1. After passing legislation, enter permanent appropriations under (Accounting → Maintenance →Appropriation Budgets, Add – Permanent Appropriation). Review the appropriation section of Appendix 4 of the year end procedures steps and reports for verification.