June 30, 2021

Subject: Carryforward Balance FinUnit and Project: Account 300000

As we approach the start of the new fiscal year, we want to update you on the data movement that will support our fiscal year close-out activities. Oracle only reflects the net position at the entity/fund level, UC San Diego's balancing segments. We recognize that there is a need to see this information at the Financial Unit and Project level. Therefore, once the annual UCOP financial statement audit is complete in October, we will reallocate the net position to account 300000 at the granularity of FinUnit and Project.

What does this mean to you? The FinUnit or Project dollar amount reflected in your equity account 300000 will continue to reflect last year's IFIS Carryforward until the allocation occurs in October.

If you are a faculty member, we have modified the reports being released to your Faculty and Researcher Panorama in such a way that there will be no impact to you. These reports are using last fiscal year's ending net position, this year's revenue and expenses, and lifetime capital equipment charges. Your general ledger resources available will accurately reflect the cash position of your Project. PPM reporting will not be impacted and will accurately reflect the spending position of your Project.

If you are a fund manager, the general ledger reports being released to the Faculty and Researcher Panorama as well as the GL Project Balances on the Project Panorama will not report equity account 300000 as your beginning resources. Instead, you will see last fiscal year's ending net position, this year's revenue and expenses, and lifetime capital equipment charges. Your general ledger resources available will accurately reflect the cash position of your Project. The Net Oper (NOR) and Budget vs Actual Report will also be updated to ensure you have accurate reporting of both your FinUnit and Projects.

If you are a report author, please ensure that any of your reports currently using equity account 300000 as a beginning balance are updated to instead use ending net position from the previous fiscal year.

Reminder, PPM Reporting is not impacted at all.

We will circulate a recorded demonstration shortly. Please utilize the Budget & Finance Community of Practice for questions and additional training and support information to follow.

Commonly Asked Questions

Q: Why is the allocation process so late after year-end close?
A: The allocation process can only be performed one time. The campus must wait until after annual UCOP financial statement audit is complete in October to ensure all possible audit adjustments are posted before the allocation process is performed.

Q: If the system automatically nets FY21 revenues and expenses on July 1 and posts net amount to the net position for entity/fund, will transactions for FY 21 posted to Jun-21 after July 1 but before the final close still be reflected in the FY22 carryforward balance?
A: Yes. The system will automatically reflect additional revenue and expense transactions in period Jun-21 in the opening net position balance for July FY22. The allocation of this back to Financial Unit & Project will be visible after the October allocation.

Q: Will the close process wipe out FY21 revenues and xxpenses?
A: No. Revenue and expense transactions for FY21 will remain in the General Ledger always. This standard accounting process simply resets these accounts for the new fiscal year.

Q: Will the close process wipe out the Account 300000 balance?
A: No. Account 300000, Net Position, is a balance sheet account and all balance sheet accounts retain their balance from year to year. The difference between revenue and expense in any given year is the Change in Net Position for that year. Only Revenue and Expense accounts are set to zero during the close process to prepare for the next fiscal year. For example:

General Ledger				
	Natural Balance	FY 21	Close out	FY 22 Opening
Balance Sheet				
Assets	+	175,000		175,000
Liabilities	-	(50,000)		(50,000)
Net Position	-	(100,000)	(25,000)	(125,000)
Income Statement				
Revenue	-	(75,000)	75,000	-
Expense	+	50,000	(50,000)	-
Overall Balance		-	-	-

Q: Can I see FY22 activity in the period between July 1 and October?
A: Yes. All postings to revenue, expense, assets, liabilities will continue for the new fiscal year and will be reflected in all reports down to the fin unit and project level. Only the net position balance in Account 300000 will remain static with the IFIS carryforward at the fin unit and project level until the allocation process is performed in October.

Q: What about PPM? Will the close process zero out my PPM expenditures?
A: No, the close process does not touch PPM. PPM is inception to date data; there is no accounting close process.

Q: Are there workarounds I can use to monitor my current ending balances before the October allocation to FinUnit/Project is processed?
A: The central Oracle BI Team is rewriting the impacted reports to use ending net position from the previous fiscal year instead of account 300000 for all managerial P&L based reporting. As a safeguard you can always run your General Ledger reports for Jun-21 to see your ending net position for your FinUnit or Project.

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