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 after the completion of Simon Danis’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 reflect the net position to account 300000 at the granularity of FinUnit and Project.

What does this mean in your FinUnit? The FinUnit or Project dollar amount reflected in your equity account 300000 will control as of the first day of your new fiscal year.

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. The Net Oper (NOR) and Budget vs Actual Report will also be updated to ensure you have accurate reporting of both your FinUnit and Project.

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

Reminder: PP&I 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 once per year. The campus must wait until after annual UCOP financial statement audit is complete in October to ensure that 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 amounts to the net position for entity/fund, will transactions for FY21 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 net all 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 expenses?
   A: No. Revenue and expense transactions for FY21 will remain in the General Ledger always. This standard accounting process simply resets these accounts to ensure you have accurate reporting of both your FinUnit and Projects.

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 account balances reflect the period from the beginning of the fiscal year to today. The difference between revenue and expense in any given year is the change in Net Position for that year. Only Revenue and Expense balances are set to zero during the close process to prepare for the next fiscal year. For example:

<table>
<thead>
<tr>
<th>Current FY</th>
<th>Next FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Revenue</td>
</tr>
<tr>
<td>Expense</td>
<td>Expense</td>
</tr>
<tr>
<td>Account 300000</td>
<td>Account 300000</td>
</tr>
</tbody>
</table>

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 reports down to the Fin Unit level. Only the net position balance in Account 300000 will remain static with the IFIS carryforward as fed into the system 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 to prepare for the next fiscal year.

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

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&I based reporting. As a safeguard you can always run your General Ledger reports for Jun-21 to view your ending net position for your FinUnit or Project.

No. The system will automatically reflect additional revenue and expense transactions for FY21 posted to Jun-21 after July 1 but before the final close still be reflected in the FY22 carryforward balance.

No, the close process does not touch PPM. PPM is inception to date data; there is no accounting close process to prepare for the next fiscal year.

No. 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.

Only Revenue and Expense accounts are set to zero during the close process to prepare for the next fiscal year.

Yes. Account 300000, Net Position, is a balance sheet account and all balance sheet account balances reflect the period from the beginning of the fiscal year to today. The difference between revenue and expense in any given year is the change in Net Position for that year. Only Revenue and Expense balances are set to zero during the close process to prepare for the next fiscal year.