

# Year-End Closing Checklist

Year-End Closing Procedure	Responsible Person	Date Completed
<b>Pre-Closing:</b>		
1. Determine that the opening balances in the financial system agree with the final balances on the SACS Fund Forms.	_____	_____
2. Reconcile the prior year's accounts receivable and record adjustments as necessary.	_____	_____
3. Reconcile the prior year's accounts payable and record adjustments as necessary.	_____	_____
4. Review a detailed revenue history report from the financial system (the revenue subsidiary ledger) and determine: (1) that all revenue is properly classified and (2) that revenue receipts are on target with expected receipts.	_____	_____
5. Review the balance sheet for all funds to determine if there are any potential problems.	_____	_____
6. Establish a year-end closing calendar that includes:		
a. The cutoff date for submission of purchase orders.		
b. The date of the physical inventory.		
c. The date for the close-out of the petty cash funds.		
d. The final date for warehouse distributions.		
e. The date for the submission of reimbursement claims.		
f. The date for running the open purchase order listing to determine which POs need to be accrued and which ones need to be cancelled.		
g. Include GASB 34, GASB 54, GASB 68/85 and GASB 75 procedures in the year-end calendar in order to allow time for completion to meet the required timeline for the audit report to be issued.	_____	_____
7. Has a calendar of report deadlines been received from the state?	_____	_____
8. Has a calendar of report deadlines been received from the county?	_____	_____
9. Has a master calendar listing all appropriate dates been prepared?	_____	_____

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**Closing:**

**Cash:**

Prepare reconciliations for all cash accounts as of June 30 and obtain copies of the reconciliations if not prepared by the District Office. Prepare journal entries to adjust the cash accounts in the books to the cash per reconciliations.

Cash accounts:

- a. Cash in County Treasury
  - b. Cash in Bank
  - c. Cash in Clearing Account
  - d. Revolving Cash
  - e. Cash With Fiscal Agent
  - f. ASB Cash
2. Count all cash on hand as of June 30 and prepare the appropriate journal entries.

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**Inventory:**

- 1. Count all material inventories as close to June 30 as possible.
- 2. Prepare and post adjusting entries to bring the books into agreement with the physical count.

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**Other Assets:**

- 1. Prepare and post adjusting entries for prepaid expenditures.

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**Accounts Receivable:**

- 1. Prepare and post the adjusting entries for the local control funding formula, special education, restricted programs, and revenue related to services performed or use of facilities provided before June 30.
- 2. Determine if mandated cost revenues have been received in July or August; if yes, prepare and post entries for the accounts receivable.
- 3. Prepare and post entries for the fourth-quarter interest earnings.
- 4. Based on notices received for Lottery funding, prepare and post the fourth quarter Lottery revenues using the Annual ADA.
- 5. Determine if an accounts receivable has been set up for all outstanding billings/invoices such as: facilities use, rents and leases, unpaid fees, amounts due from outside organizations, etc.

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**Accounts Payable:**

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|---|-------|-------|
| 1. Accrue any payrolls paid in July or August for work performed prior to June 30.  | _____ | _____ |
| 2. Accrue all benefits related to salary accruals.  | _____ | _____ |
| 3. Review an open purchase order list and accrue all items that have been received or services rendered by June 30.                               | _____ | _____ |
| 4. Accrue amounts for utility services unpaid as of June 30.  | _____ | _____ |
| 5. Accrue amounts for legal claims that can be estimated and are probable (only if the claim is not covered entirely by insurance) as of June 30. | _____ | _____ |

**Long-Term Financing:**

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|--|-------|-------|
| 1. Determine that all new debt instruments have been properly included in the long-term debt Form Debt for the period ending June 30.    | _____ | _____ |
| 2. Determine that all payments have been recorded as "debt service payments" and split appropriately between debt payments and interest. | _____ | _____ |

**Indirect Costs:**

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| 1. Prepare a worksheet to record indirect costs and post the entries to all applicable programs. Verify that the program allows indirect costs and whether there is a limit on the allowable percentage. | _____ | _____ |
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**Categorical Programs:**

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| 1. Review and verify balances by resource in all funds to ensure they are balanced appropriately.  | _____ | _____ |
| 2. Prepare the CAT Form in the SACS software.  | _____ | _____ |
| 3. Review the CAT Form versus system reports for accounts receivable, deferred revenue, accounts payable, restricted ending balance, and make any necessary journal entries in the financial system. | _____ | _____ |

**Interprogram and Interfund Transfers:**

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|---|-------|-------|
| 1. Review the operating transfers and the transfer for direct costs to assure that the transfers are balanced between programs and funds and net to zero. | _____ | _____ |
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**Interfund Receivables and Payables:**

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| 1. Review the activity in all funds to determine if any interfund receivables and payables need to be set up. | _____ | _____ |
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**Adult Education:**

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| 1. Ensure that all cash reconciliations have been completed, if maintained in a separate fund. | _____ | _____ |
| 2. Review General Ledger reports to ensure positive cash, if maintained in a separate fund.    | _____ | _____ |

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**Cafeteria Fund:**

- 1. Ensure that all cash reconciliations have been completed. \_\_\_\_\_
- 2. Review General Ledger reports to ensure positive cash. \_\_\_\_\_
- 3. Count all material inventories as close to June 30 as possible. \_\_\_\_\_
- 4. Prepare and post adjusting entries to bring the books into agreement with the physical inventory count. \_\_\_\_\_
- 5. Determine if donated commodities have been properly identified and the accounting is accurately reflected in the accounting system. \_\_\_\_\_
- 6. Prepare and post the accrual for the remaining federal and state reimbursements for the child nutrition programs based on monthly claim reports. \_\_\_\_\_

**Child Development Fund:**

- 1. Determine if all grants are accounted for in the Child Development Fund and included on the CAT Form. \_\_\_\_\_
- 2. Ensure that all cash reconciliations have been completed. \_\_\_\_\_
- 3. Review General Ledger reports to ensure positive cash. \_\_\_\_\_

**Building Fund:**

- 1. Ensure that all cash reconciliations have been completed. \_\_\_\_\_
- 2. Review General Ledger reports to ensure positive cash. \_\_\_\_\_
- 3. Review all leases, rental contracts, and sales agreements to determine if any accounts receivable should be set up \_\_\_\_\_
- 4. Analyze all construction projects to determine if liabilities should be recorded for work completed by June 30. \_\_\_\_\_

**Capital Facilities:**

- 1. Ensure that all cash reconciliations have been completed. \_\_\_\_\_
- 2. If applicable, ensure that the 3% administrative fee has been posted \_\_\_\_\_

**County School Facility Fund:**

- 1. Ensure that all cash reconciliations have been completed. \_\_\_\_\_
- 2. Review General Ledger reports to ensure positive cash. \_\_\_\_\_
- 3. Determine that any reports to the state are filed on time. \_\_\_\_\_

**Self-Insurance Fund:**

- 1. Ensure that all cash reconciliations have been completed. \_\_\_\_\_
- 2. Review General Ledger reports to ensure positive cash. \_\_\_\_\_

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3. Ensure that all transfers are completed before June 30.	_____	_____
4. Make sure that the IBNR liability has been adjusted, if necessary.	_____	_____
<b>Bond Interest and Redemption:</b>		
1. Receive reports from the County Treasurer/Auditor for inclusion in the SACS Forms for submittal to the state.	_____	_____
<b>Retiree Benefits Fund:</b>		
1. Ensure that a formal "Trust Agreement" has been established prior to using the fund	_____	_____
2. Ensure that all cash reconciliations have been completed.	_____	_____
3. Review General Ledger reports to ensure positive cash.	_____	_____
4. Ensure that all transfers for retiree benefits are completed before June 30.	_____	_____
<b>Warrants Pass-Through:</b>		
1. Reconcile this fund to ensure that the Fund is in balance. If not, prepare any necessary journal entries and post them to the financial system.	_____	_____
<b>Payroll A/P Clearing Fund:</b>		
1. Reconcile this fund to ensure that the Fund is in balance. If not, prepare any necessary journal entries and post them to the financial system.	_____	_____
<b>Governmental Accounting Standards Board Statement No. 34 (GASB 34):</b>		
1. Verify beginning balances for long-term debt as of July 1 of the current year against the ending balances in the prior year.	_____	_____
2. Determine what funds will be reported as a Major Fund along with the General Fund (spreadsheet available in SACS software)	_____	_____
3. Prepare a long-term debt schedule that will include all the applicable entries for GASB 34. For example: <ul style="list-style-type: none"> <li>a. Capital Lease</li> <li>b. General Obligation Bonds (GOB)</li> <li>c. Issuance cost associated with Debt (discount, Premium, etc.)</li> <li>d. State School Building Loan</li> <li>e. Certificates of Participation (COP)</li> <li>f. Compensated Absences (By Function)</li> <li>g. Other Postemployment Benefits (GASB 45, etc.)</li> </ul>	_____	_____
4. Run reports from the fixed asset system (i.e., financial system, spreadsheet, stand-alone software application) that ties back to the financial reports for 6000 Object and Function 8500 for additions and deletions that will be or	_____	_____

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have been capitalized and depreciated. Include depreciation amounts in reports.

5. Determine who is responsible within the organization to prepare and complete the Management Discussion and Analysis (MD&A). Determine a timeline for developing the MD&A in advance of when it is required for inclusion and presentation in the annual audit report.
6. Include GASB 34 procedures in the year-end calendar in order to allow time for completion of the required timeline for the audit report to be issued in the new format. All departments that will be required to provide data should be included in meetings and communication regarding the year-end deadlines and process.

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**Governmental Accounting Standards Board Statement No. 54 (GASB 54):**

1. Ensure that the Board has taken formal action before June 30 to approve internal constraints that are designated as committed fund balances.
2. The following categories of fund balance are required to be used for the ending fund balances:
  - a. Nonspendable: Store inventory, prepaids, etc.
  - b. Restricted: Amounts constrained by external parties
  - c. Committed: Amounts constrained by a government (internally by formal action)
  - d. Assigned: Amounts for a particular intended purpose
  - e. Unassigned: Amounts that are not constrained or assigned

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**Governmental Accounting Standards Board Statement No. 75 (GASB 75):**

1. Ensure that an updated actuarial study has been completed within the required two year timeline required under GASB 75.
2. If your agency has a blended rate for active and retired employees, ensure that the information is available to determine the contribution by the school agency.
3. Determine the normal cost related to the current period and the amortization of the past unfunded liability. These two components make up the current net OPEB expense. It will be a local decision as to whether the unfunded portion is funded or not. The impact of that decision will be presented in the financial statement.

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**Governmental Accounting Standards Board Statement No. 68/85 (GASB 68/85):**

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1. Ensure that applicable information from CalSTRS and CalPERS website is collected to adjust ending net position on the Governmentwide Financial Statements	_____	_____
1. Ensure that applicable information from CalSTRS website is collected to adjust ending fund balance in Fund Financial Statements	_____	_____