

## SAM—RECONCILIATIONS AND REPORTS

### YEAR-END FINANCIAL REPORTS—GENERAL

7950

(Revised 6/14)

The [SCO](#) annually issues detailed instructions to departments for the preparation and submission of year-end financial reports. Departments must have SCO preapproval to utilize computer generated reports.

Departments will prepare a separate set of year-end financial reports for each fund. Accounts of two or more funds will not be commingled in department statements except in a few rare instances and then only upon written permission from Finance, [FSCU](#).

Departments will prepare year-end financial reports as soon after June 30 to meet the required due dates and to estimate accruals with reasonable accuracy. See SAM section 7930 for Calendar of Reports and Actions due dates. See SAM [7951 Illustration](#) for List of Required Year-End Financial Reports and their distribution. Departments should plan for additional distribution of all standard reports to meet their internal management needs.

In order for departments to meet their deadlines, the following is recommended:

- a. Issue a year-end work plan. List the specific year-end activities, due dates, responsibilities, and other important information for the timely completion of year-end financial reports.
- b. Keep accounting staff trained in the year-end financial report preparation procedures.
- c. Keep all phases of accounting current during the fiscal year. All reconciliations should be kept current and reconciling items should be corrected on a timely basis. See SAM section 7901 – 7924 for additional information on reconciliations.
- d. Do as much work as possible on year-end financial reports before June 30. Departments should start work on problem areas early so that sufficient time is allocated for the timely resolution of issues anticipated in the current year. [CALSTARS](#) departments experiencing or expecting serious difficulty in completing the required year-end financial reports on time should contact the Finance, CALSTARS Client Support Unit. Other departments should contact Finance, FSCU for assistance.
- e. Schedule vacations so they will not conflict with the preparation of the year-end financial reports.
- f. The SCO will provide the following documents for year-end closing: appropriation balances; journal entries for June; Report of Accruals to Controller's Accounts; Adjustments to Controller's Accounts; and the Final Reconciliation of Controller's Accounts with Final Budget Report. The SCO will notify departments by letter of the exact dates they may expect these documents.

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- g. Departments will submit year-end financial reports to the SCO as soon as completed rather than hold them until the final submission date.
- h. Throughout the year, departments will review the condition of their cash, appropriation, and category balances to determine if sufficient funds will be available to meet expenditures. If sufficient funds are not available, departments have the following options:
  - 1. Begin negotiations with other departments for prompt payment of reimbursements, if applicable.
  - 2. Begin negotiations with the Finance budget staff to obtain approval for additional funding.
  - 3. Return a portion of an advance (e.g., Revolving Fund, General Services, State Publishing, and Prison Industries) to the appropriation it was originally withdrawn from.
- i. Departments will estimate receivable and payable accruals when it is not possible to obtain actual documentation. Lists of all accrual documents, estimated accruals, and amounts will be retained for audit purposes.
- j. Departments will provide deadlines and instructions to employees for submitting documents necessary to prepare the year-end financial reports (e.g., travel expense claims, purchase documents, and invoices).

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Below is a list of references, not in this chapter, related to year-end financial reporting.

Subject	SAM Section Reference
Accruals and Adjustments – Standard Entries	<a href="#">10600 - 10615</a>
Accruals to Trust Accounts – Trust and Agency Funds	<a href="#">19305</a>
Allotment-Expenditure Accounting <ul style="list-style-type: none"> <li>• Year-End Accruals</li> <li>• One-Year Appropriations</li> <li>• Continuing Appropriations</li> </ul>	<a href="#">8380</a> <a href="#">8381</a> <a href="#">8382</a>
Change in Method of Accrual	<a href="#">8793</a>
Closing Entries	<a href="#">10650 - 10651</a>
Controller’s Accounts <ul style="list-style-type: none"> <li>• General</li> <li>• Year-End Accruals</li> </ul>	<a href="#">8800</a> <a href="#">8860</a>
Expenditures	<a href="#">10210</a>
Federal Trust Funds	<a href="#">17130</a>
Income <ul style="list-style-type: none"> <li>• General</li> <li>• From Investments</li> <li>• From Surplus Money Investment Fund</li> <li>• From Condemnation Deposits Fund</li> </ul>	<a href="#">8200</a> , <a href="#">10230</a> <a href="#">8284</a> <a href="#">8284.1</a> <a href="#">8284.2</a>
Prior Year Appropriation Adjustments	<a href="#">10240</a>
Proprietary and Fiduciary Funds	<a href="#">13400</a>
Revenue	<a href="#">8210</a> , <a href="#">8290 - .7</a>