

CHAPTER 2. USE OF SYSTEM

2-1. INTRODUCTION. PAS is a transaction-oriented system. All processes are initiated by the entry of transactions or master control parameter requests. Files are maintained in order to accumulate amounts for reporting purposes. Tables are maintained in order to control the processing of transactions. Accounting records and reports are generated from the files maintained within PAS.

2-2. INPUT OF TRANSACTIONS.

- a. General. The transactions that are entered into PAS are divided into the five distinct processing types described below.
- b. Financial Transactions. These transactions are for the recording of dollar-amounts in the system and represent the basic transactions which make this an accounting system. They include establishing apportionment, allotments, assignments and subassignments; recording prevalidations and reservations; establishing unliquidated obligations; recording payments and receivables; collecting funds, and other miscellaneous transactions. Each of these transactions initiates posting to general ledger and/or related subsidiary files, such as Regional and Field Office files and the file of grantee records.
- c. Non-Financial Transactions. These transactions are used to record a name and address for each project within the system that receives a payment by generated magnetic tape and to modify project or delete these data.
- d. System Actions. These transactions are primarily involved with maintaining, adjusting, or closing the system. They include transactions for month-end adjustments, year-end adjustment, general closing, and updating system tables.
- e. Error Processing. These transactions relate to the disposition of errors, both those rejected by the system and those noted by accounting or program officials after acceptance and posting by the system.

- f. Report Requests. These transactions relate to requesting those reports which are under user control. These are referred to as "Special Request Reports."

2-3. FILES MAINTAINED BY THE SYSTEM. The files maintained by PAS are the core of the system itself. Transactions are processed to update the files. These files are used to produce reports of activity on a daily, weekly, monthly or annual basis. The

following files are the ones maintained by the system.

- a. Appropriation file (GRA)
- b. Allotment file (GRL)
- c. Program file (GRP)
- d. Regional Office file (includes Headquarters when it is considered as a Region) (GRR)
- e. Field Office file (GRF)
- f. Project Level or Grant Record Detail File (GRD)
- g. Letter of Credit file (LOC)
- h. History of transactions files (month-to-date and year-to-date)
- i. General ledger balance file (GLB)
- j. Erroneous accounting transactions file (recycle file)
- k. Status of funds file (SF1)
- l. Name and address file (NAA)
- m. Receivable file (RCV)
- n. Cash reconciliation file (CRF)
- o. Purged project file (PRG)
- p. Purged Letter of Credit file (LRG)
- q. Valid Disbursement Transactions file (AEE)
- r. General Ledger Transaction Summary file (GTS)

2-4. TABLES MAINTAINED BY THE SYSTEM. Certain tables are maintained by the system in order to control the validity of the data being entered. These tables are accessed by the PAS coordinator in OFA only. Each transaction is processed against the tables in order that the validity of the data within the transaction may be determined. These tables include the following:

- a. Names and codes of programs and subprograms (PRN)
- b. Names and codes of Regional Offices (ROT)
- c. Names and codes of Area Office (AOT)
- d. Names and codes of appropriations (AST)
- e. Names and codes of general ledger accounts (GLA)
- f. Names and codes of error conditions (ECT)
- g. Transaction code table (TRC)
- h. State Name (STN)
- i. General ledger accounts by transaction (GLT)

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2-5. ACCOUNTING RECORDS PRODUCED BY THE SYSTEM.

- a. General Ledgers.

Within each accounting office's set of records up to four general ledgers are kept for each program--one for the current fiscal year; if applicable, one for each of the two preceding fiscal years; and, if applicable, a merged ledger for all earlier open transactions and balances. Each transaction is posted to the General Ledger for the fiscal year indicated on the input format. When the books are closed at the end of a fiscal year, the balances from the second preceding fiscal year (if any) are merged into the merged (M) general ledger and a

ledger for the new year are processed. For no-year funds, only one general ledger is maintained for each program for each office.

b. Accounts in the General Ledgers.

(1) Budgetary Accounts.

(a) General. Budgetary accounts for apportionments, allotments, obligations, and expended appropriations are employed to control appropriated funds. Apportionments are made on a net reservation or obligation basis depending on the program involved. The "PRN" Table indicates which programs have usage of funds based on reservation or obligation. Allotments are made at the highest practical level, and obligating authority is made available to operating offices through the use of assignments and subassignments.

(b) Control of Obligations. Obligations are classified by programs, sub-program, allotment code, and individual grantee. Unliquidated obligations are normally liquidated upon payment of grantee cash requisitions or upon receipt of documents showing letter-of-credit drawdowns. However, the system provides the capability to reduce unliquidated obligations owed to grantees, as determined in total by program from data on grantee reports. Unliquidated obligations are created: (1) when the last signature is affixed to a formal contract, or (2) when the last act which makes a binding contract takes place. Prevalidations and reservations are recorded when properly approved prescribed forms are received from program officials (see Appendix 18).

(2) Real Accounts.

(a) Assets. Each general ledger maintains various asset accounts. These include accounts for cash, receivables, and advances to grantees. The system provides for recording cash receipts and Treasury check disbursements when related documents are sent to Treasury. Letter-of-credit disbursements are recorded upon receipt of Payment Voucher on Letter of Credit (SF-183) or a Daily Support Listing in the accounting office. Receivables are recorded when billed. All collections are treated as liquidating receivables, whether they were previously billed or not. Receivables and payables are classified as to type. Procedures for establishing allowance for uncollectible receivables and for writing off

receivables are included.

- (b) Liabilities. Liabilities are recorded at the time they are incurred. They include such items as amounts of approved cash requisitions on hand at month-end not yet scheduled, accrued amounts owed grantees, and payments made to grantees that were unconfirmed by Treasury.
- (3) Other Accounts. The general ledgers also contains accounts to show the investment of the U.S. Government, income from miscellaneous general fund receipts, expenses (classified as to type), cash items in transit, and advances from other agencies. Balances of advances from other agencies are reduced when HUD incurs obligations for the benefit of such agencies.
- c. Grant Status Report (SNCA). The Grant Status Report (see paragraph 6-5) lists all the transactions pertaining to a project for a fiscal year. This document becomes the permanent record of project activity for a particular project for the year and should be retained as a permanent file.
- d. Other Records. The reports produced by PAS generally fit in a category of reports that give a status of the system that changes from one reporting period to another. These reports are not considered to be of a permanent nature but as aids to making management decisions.

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- 2-6. REPORTS. The reports included in PAS are in sufficient detail to meet external reporting requirements and to meet the data needs of HUD management. The reports are designed to facilitate management control of both total funds available for a program and funds committed to or in the hands of each grantee. Details of the reports are presented in Chapter 6.
- 2-7. QUERY LANGUAGE PROCESSING (QLP). PAS has the capability of producing AD HOC reports using QLP. This gives the user opportunity to extract information from PAS that is needed on a non-recurring basis. The OFA PAS coordinator should contact the Office of Information Policies and Systems if assistance is needed in this area.
- 2-8. OVERVIEW OF SYSTEM.
 - a. General. This paragraph presents a brief overview of the system and explains the document flow. There is no data entry required at month-end or year-end that is not done daily or weekly. However, PAS performs certain tasks at month-end or year-end as part of the normal operating procedures.
 - b. Document Flow. Documents shall flow through the system in the

following sequence:

- (1) Source documents are prepared in various program offices in Headquarters, Regional and Area Offices, and sent to either OFA or the RAD.
- (2) A coded input document is prepared from a source document. NOTE: The source document may be used as the input document.
- (3) Input documents are batched.
- (4) Data are keyed into machine readable form, by batch, from the input documents.
- (5) Data are transmitted to PAS and processed.
- (6) Transaction registers are produced.
 - (a) The erroneous transaction register (AQCA) is sent to OFA or RAD as applicable. A copy of the RAD erroneous transaction registers is sent to OFA.

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1. Errors are reviewed.
2. Errors are corrected by the inputting of additional data, by correcting data elements of the original input which are reprocessed through the system or by deletion.
 - (b) The valid transaction register (AQCA) is sent to OFA or RAD, as applicable, to be distributed. A copy of the RAD valid transaction registers is sent to OFA.
 - (c) Reports are sent to OFA or RAD, as applicable, and to other users to be reviewed.
- (7) Batches of valid transactions are released, source and input documents are filed.

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