

## CHAPTER 5. SYSTEM ACTIONS

## Section 1. Introduction

- 5-1. GENERAL. System actions form a part of the Program Accounting System that is not related to day-to-day normal transactions. They consist of actions relating to adjusting or closing the books at the end of a month or fiscal year and reopening them at the beginning of a new period. System actions are under the control of OFA. They are initiated within OFA by setting certain parameters within which the system has been designated to operate. The setting of these parameters and the operation of the system under them has been identified as "Master Control."
- 5-2. MASTER CONTROL. Each time the Program Accounting System is processed, the Director of the General Programs Division (GPD), General and Program Accounting (GPA), OFA, can exercise certain options concerning which operations are performed and which reports are produced. Major options include whether or not the system will run twice a day, daily, weekly, month-end, or year-end routines. Within these major options, the director can increase or decrease the scope of reports printed. For daily, month-end, and year-end routines, the director can select among several procedures and, for some of them, designate whether the system is processed for information purposes only (reports are produced but files are not updated), or as a final run (reports are produced and files are updated). The remaining paragraphs of this chapter describe the daily, weekly, month-end, and year-end routines.

## Section 2. Daily and Weekly Routines

- 5-3. DAILY ROUTINES.
- a. General. There are two parts to the daily routine: special report requests, and accounting (financial and non-financial) transaction processing. Through the master control procedure, a selection is made of what part, if any, of the daily routine is to be run.
  - b. Table Maintenance. When the maintenance procedure is run, the table transactions are edited and, if valid, used to update the tables. Transactions appear on registers which are printed separately for each table. Table transactions are edited on-line with immediate update. Listings of the tables are produced on request.

- c. Special Report Requests. Special report request inputs are discussed in paragraph 6-3. When the special report request procedure is run, the input data is edited and, if valid, the requested reports are produced. The special request

transactions appear on either erroneous or valid transaction registers. However, erroneous special request transactions cannot be corrected by utilizing the change and delete feature of PAS. Those can only be re-entered with the desired corrections. See d(2) below.

d. Transaction Processing.

- (1) After the transactions are entered into the system, they are edited, and, if valid, are used to update the system's files. Erroneous and Valid Transaction Registers are provided for financial, name and address, and special request transactions.
- (2) Erroneous financial transactions are retained in the system until corrected or removed except at year end. At this time, the error recycle file is dropped. A Valid Transaction Register may contain transactions that were entered in previous days which are corrected and used in updating the system's files in the current processing cycle. Likewise, the Erroneous Transaction Register for financial transactions may include erroneous transactions which are entered on previous days and which have not yet been corrected. The Erroneous Transaction Register is produced only for those regions submitting data for the current processing cycle.

5-4. WEEKLY ROUTINE. Each week, various status reports are produced by the system. These reports are produced when the weekly routine option is selected by the Director of GPD.

Section 3. Month-end Routines

5-5. INTRODUCTION. The month-end routines include preparing worksheets for cash reconciliation with Treasury and recording related general ledger adjustments. The month-end procedure actually begins before the last day of the month with cut-off procedures. After the designated date, only emergency disbursements are made, although deposits must be made when funds are received. Transactions for the closing month can be continued to be entered to allow for recording documents received late. During this period, any transactions entered with a effective date in the future will remain on the error cycle file until the prior month end reports are run. Special efforts are made to correct erroneous transactions in the error recycle file and to obtain and record confirmed documents from Treasury.

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5-6. CASH RECONCILIATION AND ADJUSTMENTS.

- a. General. Daily PAS prepares a worksheet for use in preparing SF-224, Statement of Transactions and reconciling previous month-end cash balances with Treasury. On the final run, in

addition to the worksheets, the system prepares cash adjusting entries. These are described in paragraph 5-7 below.

- b. Worksheets. The SF-224 worksheet, entitled "Cash Transactions," is prepared for Headquarters and Regional accounting officials each time a SF-224 run is made. It is produced in seven parts (A through H). The worksheet with a description of its parts is shown in Appendix 16.

5-7. ADJUSTING ENTRIES - CASH BALANCES.

- a. General. Adjusting entries are prepared by the system at the time final SF-224 worksheets are run. These adjustments reestablish the cash balance for unconfirmed disbursement requests and reduce the cash balance for unconfirmed deposits. The entries are automatically reversed in the next month.
- b. Transaction 496 - Unconfirmed Disbursement. This transaction is used to record a month-end adjustment or disbursement requests made to the U.S. Treasury which are unconfirmed at the end of the month. This entry is machine generated and is automatically reversed in the next month. The General Ledger entry is as follows:

Debit: Account 1010.00, Operating Funds with U.S. Treasury

Credit: Account 2010.00, Disbursements in Transit

- c. Transaction 498 - Unconfirmed Deposit. This transaction is used to record a month-end adjustment for deposits made in the U.S. Treasury which are unconfirmed at the end of the month. This entry is machine generated and is automatically reversed in the next month. The General Ledger entry is as follows:

Debit: Account 1030.00, Deposits in Transit

or

Account 1275.00, Accounts Receivable - Due from Treasury.

Credit: Account 1010.00, Operating Funds with U.S. Treasury

NOTE: The debit to Account 1275 is for unconfirmed returned government checks and check cancellation requests identified through the schedule prefix (see Appendix 14). Other unconfirmed deposits are charged to Account 1030.00.

Section 4. Year-End Routines

5-8. INTRODUCTION.

- a. General. The year end routines include closing transactions,

merging of files (M accounts), and purging of files (inactive projects). The year end routines are started after the regular monthly reports are run.

- b. Automatic Generation of Data. The automatic generation of recurring data is the only year-end routine that is accomplished before the monthly reports. The Rent Supplement and Rental Assistance programs contract the same amount of funds for the projects every year. PAS will use the current year contract data to automatically generate the new year data base.
- c. Annual Reports. After the regular monthly reports are recorded, the annual reports are run (see Chapter 6).
- d. Purge of Inactive Grant Record Files. The next annual routine is the purge of inactive project records from the file. A project is considered inactive when:
  - (1) When prevalidation, reservation, contract, and disbursement are equal;
  - (2) There is no outstanding accounts receivable; and
  - (3) If the project is under a letter of credit, the authorized amount equals the disbursed amount.

Records are automatically removed from the files at year-end except for programs 4164 and 5271. PAS produces a listing of all projects that were purged. A project can be reinstated after it has been automatically purged or if a TAC 901 has been entered by entering a TAC 902.

- e. Purge of Inactive Letter of Credit file. A project is purged from the letter of credit files at the same time it no longer is listed on the letter of credit report, A96BACA, but the dollar amounts are rolled up into a purged project line by subprogram. The purged line will remain until every project under the Letter of Credit is purged.

- f. Merge of Files. The last annual routine is a run made to merge the records of accounts that have been expired 2 or more years. Expired accounts are those accounts that cannot incur additional obligations unless the increases are due to audit findings or cost overruns and sufficient funds are available. First, the required Appropriation Symbol Table (AST) and Program Name Table (PRN) records must be entered to add the "M" account, if not already present. Then, based on a master control instruction (see paragraph 5-2), the merge is run. All annual reports are re-run after the merge.