Financial Reporting Updates

Accounting Policy Meeting
July 24, 2025

Financial Reporting, Appropriation Control and Fiscal Systems Analysis sections

Fiscal Management Division

Agenda and Presenters

Welcome, Introductions, Being Informed on FMX

Presenter: Esteban Garcia
appropriation control officer

Preparing for Fiscal Year-End Close

Presenter: Laurel Mulkey
special projects analyst

USAS System-Generated Lapse

Presenter: Kevin Muir
appropriation control officer

Shared Cash Review

Presenter: Megan Toliver
financial reporting assistant supervisor

Additional Information and Open Q&A Session

Presenter: Esteban Garcia
appropriation control officer

Questions During the Meeting

During the webinar, please type questions in the available chat box.

We will have an **Open Q&A session** at the end of the meeting.

Deadlines and Reminders

GASB Questionnaires

➢ Each agency must respond to all seven GASB Questionnaires.

❖ Due Date: **Aug. 15**.

➢ PDF preview for each questionnaire available to help agencies gather information.

AFR Web Applications

➢ All Annual Financial Report Web Applications are currently open for data entry.

➢ Pass-through activity entries are entered in the SEFA and SPTR web applications.

Fiscal Year-End Close

Background

- Fisal Year-End Close (FYEC) begins the evening of Aug. 31, after the regular USAS cycle.
  - ❖ When Aug. 31 falls on a weekend, FYEC occurs the Friday before.

    > **Note:** This year, Aug. 31 falls on Sunday, so FYEC occurs on Friday, Aug. 29.

- Process final sweeps:
  - ❖ Unappropriated Receipts (Appropriation 99906)
  - ❖ Local Sales Tax Receipts (Appropriation 99907)
  - ❖ Sale of Surplus Property (Appropriation 99908)
  - ❖ Earned Federal Funds (Appropriation 70000)
  - ❖ Hotel Occupancy Tax Refunds

Fiscal Year-End Close (Cont.)

Background (Cont.)

➢ Close balances in preparation for the closing year's financial reporting process:

❖ Close nominal activity to fund balance/net position GLs.

❖ Close cash to posting (GLs 0045 and 0052).

- Cash cannot be posted to closed fiscal year (no backdating).
- Prior year non-cash posting allowed in the new fiscal year with appropriate security and transactions.

➢ Prepare USAS financial tables for the incoming fiscal year.

❖ Create financial tables for new fiscal year.

❖ Roll closing year's balances forward to new fiscal year's tables.

➢ USAS may not be available from 7 p.m. on Aug. 29 (Friday) to 7 a.m. on Sept. 2 (Tuesday) – plan accordingly!

❖ Prompt payment law still in effect.

FYEC – How It All Fits Together

Several annual processes relate to closing out the fiscal year and/or preparing for the incoming fiscal year:

➢ **Profile Rollover** (3rd weekend of June) – Creates the profiles for the incoming year.

➢ **Financial Table Archive** (3rd weekend of August) – Archives the prior year's financial tables in preparation for the incoming year.

➢ **Automated Lapses** (Aug. 29) – Processes the system-generated lapse transactions for expiring appropriations.

➢ **Fiscal Year-end Close** (Aug. 29) – Hard cash close, final sweeps, close nominal activity.

➢ **Financial Reporting Period** (Sept. – Feb.) – Preparation of Cash Report, agency AFRs and statewide ACFR.

➢ **GL Close** (March/April/May) – Closes the prior fiscal year's final nominal activity to fund balance/net position GLs.

FYEC – Frequently Asked Questions

➢ **Question:** Is USAS online available all day on the day of FYEC?

  ❖ **Answer:** Yes. USAS is available from 7 a.m. to 7 p.m. per the usual system availability schedule.

➢ **Question:** Is there a normal nightly cycle run the night of FYEC?

  ❖ **Answer:** Yes. A regular USAS cycle runs just like usual after USAS goes down at 7 p.m. After the regular cycle completes, the FYEC process begins.

➢ **Question:** Are payments generated during the regular cycle run the night of FYEC?

  ❖ **Answer:** Yes. Payments are generated during that final cycle and available for distribution the next business day.

➢ **Question:** When Aug. 31 falls on a weekend and FYEC occurs on the Friday before, are additional cycles run on that Saturday or Sunday?

  ❖ **Answer:** No. A regular cycle is run like usual on Friday, which is then followed by the FYEC process. Additional cycles are not run over the weekend. Once FYEC is complete, USAS online will be available.

FYEC – Frequently Asked Questions (Cont.)

➢ **Question:** Are reports generated the night of FYEC?

    ❖ **Answer:** Yes. Reports are generated just like during any other cycle. Depending on how long the FYEC process takes, reports may not be available to pickup as early as usual.

➢ **Question:** Are all transactions processed during FYEC included in the History Extract (HX) file?

    ❖ **Answer:** Yes. The HX file generated for that night's processing includes all transactions processed during the regular cycle, plus all the transactions processed during year-end close, including the final sweep transactions.

> **Note**: Contact your agency's IT section first for assistance with accessing your agency's HX files.

➢ **Question:** Are there certain transactions or processes that must be done prior to FYEC?

    ❖ **Answer:** Yes. Check out the 2025 Master Schedule of Fiscal Year-End Close Events for all things year-end close!

Scheduling Payments Around FYEC

Payments Using Appropriation Year (AY) 2025 or Prior

➢ Enter all transactions by Tuesday, Aug. 26, for payments due on:
  ❖ Aug. 30 (Saturday)
  ❖ Aug. 31 (Sunday)
  ❖ Sept. 1 (Monday – Labor Day)

➢ Data entry by that suggested date allows time to:
  ❖ Correct any errors
  ❖ Obtain final approvals
  ❖ Perform last-minute releases

➢ Payments for error-free transactions due on those days are distributed on Friday, Aug. 29.

➢ Payment distribution is not available on:
  ❖ Saturday, Aug. 30
  ❖ Sunday, Aug. 31
  ❖ Monday, Sept. 1 (Labor Day)

Scheduling Payments Around FYEC (Cont.)

Payments Using Appropriation Year (AY) 2026

➤ AY 2026 funds cannot process in USAS until Tuesday, **Sept. 2, 2025**.

> **Note:** This is the first business day of fiscal 2026.

➤ Payment transactions cannot process using a future Effective Date.

❖ On the Transaction Code Decision Profile (28A), review the FUTMY field to verify if the transaction can be future dated:

```
TEXAS  S28A              UNIFORM STATEWIDE ACCOUNTING SYSTEM    MM/DD/YY HH:MM AM
 LINK TO:                 TRANSACTION CODE DECISION PROFILE                  PROD
 ACTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)
 TRAN CODE: 225 TITLE: ESTABLISH VOUCHERS PAYABLE
 GENERAL LEDGER   DR-1: 5501 CR-1: 1009 DR-2:      CR-2:
        POSTING   DR-3:       CR-3:       DR-4:      CR-4:
 TRANS    DOCD   PDDT R SVDT I CDOC I RDOC   MODI N AGCY R  IDX    PCA R COBJ R
 ED IND:   AOBJ   RVRS     PDT     CI   1099    WARR   INVC R VNUM I VNAM R VADD
  RQDT     DMETH R APN# R FUND R  GLA N  AGL N GRNT    SUBG   PROJ    MULT    DI#
 POST SEQ: 1 REG NO: 2 WW IND: 1 D/I: D WAR CANCL TC: 951 PYTC:      FUTMY: N
 GEN TC:      GEN ACCR TC:     GEN TC2:      INTERFACE IND:   1   B
 PAY LIQ TC: 380      BALTC:      AFRTC:       INTTC: 387
           A/S  BT  MATCH GLA DOC     A/S  BT  MATCH GLA DOC
        DF:                                                AGY GL:
 FILE    AP: +   17
 POSTING AB: +   17
 INDS:   CC:
         GP: +   17
         PJ: +   17
         CF: +   17                              STATUS CODE: A
  EFF START DATE: 09011994   EFF END DATE:           LAST PROC DATE: 06212005
 Z06 RECORD SUCCESSFULLY RECALLED

 F1-HELP F3-END F4-INTERRUPT F6-PROCESS F10-28B PROFILE F11-28C DESC
```

Scheduling Payments Around FYEC (Cont.)

Payments Using Appropriation Year (AY) 2026 (Cont.)

➢ AY 2026 payments cannot *process* in USAS prior to Sept. 2, but they can be *entered* prior to Sept. 2.

❖ For Input Record (In Rec) Files:

USAS In Rec File	Field Name	Value
Batch Header	Effective Date	20250901
Document Header	Document Transaction Year	26
Detail Transaction	Effective Date	20250901

❖ For online data entry, on the Batch Header Entry (500) screen, enter:

BATCH EDIT MODE **= 0**

EFFECTIVE DATE **= 090125**

```
 TEXAS   S500            UNIFORM STATEWIDE ACCOUNTING SYSTEM    MM/DD/YY HH:MM PM
  LINK TO:                         BATCH HEADER ENTRY                        PROD


            BATCH AGENCY: XXX              (SIGN ON AGENCY)
              BATCH DATE: 083025           (MMDDYY, DEFAULTS TO TODAYS DATE)
              BATCH TYPE: 4
            BATCH NUMBER: 001
         BATCH EDIT MODE: 0

              BATCH COUNT:                 BATCH AMOUNT:

        PAYMENT DIST TYPE:                 (MUST BE VALID IN D53 TITLES PROFILE)
            DISB METH IND:                 (H, M, R, E, C OR SPACE)
           EFFECTIVE DATE: 090125          (MMDDYY, DEFAULTS TO TODAYS DATE)
              FAST ENTRY:                  (M/S/ )
                 USER ID: LMUL523          MULKEY, LAUREL
              USER CLASS: 79
       ACTION CODE AGENCY:
              ACTION CODE:


  F1-HELP F3-END F4-INTERRUPT
```

Scheduling Payments Around FYEC (Cont.)

Payments Using Appropriation Year (AY) 2026 (Cont.)

❖ On the Pre-Enc/Enc/Expend Transaction Entry (505) screen, enter:

EFF DATE **= 090125**

```
TEXAS  S505              UNIFORM STATEWIDE ACCOUNTING SYSTEM     MM/DD/YY HH:MM PM
LINK TO:                 PRE-ENC/ENC/EXPEND TRANSACTION ENTRY               PROD

BATCH: AGENCY XXX DATE 083025 TYPE 4 NO 001 SEQ NO 00001 MODE MASTER EDIT ONLY
 DOC DATE:          EFF DATE: 090125   PMT DUE DATE: 090125    SERV DATE: 080125
  DOC/SFX: 9XXXXXXX 001  REF DOC/SFX:                           DISC DATE:
TRAN CODE: 225                             IC: N     RQD PMT DATE:
   INDEX:                                  MOD:     AGENCY: XXX  AY: 25
     PCA: 60070                            PCC:     REQ NO:
COMP/AGY OBJ: 7102                              NACUBO SUBFUND:
   AMOUNT: 00000000010.00  RVS:    DISC: 00000000000.00 1099:   FO:    PDT: DF
DOC COUNT: 00001 DOC AMT: 00000000010.00 DOC AGY: XXX CI:    PROP #:
 INV NO:                              INV DT:               CONF: Y
   DESC:
   DESC:
VEND/MC: 3XXXXXXXXXX 001 NM: VENDOR NAME
APPN NO: 00000          FUND: 0001        ORIG PMT DATE:
CONT NO:               WARR NO:
GL AC/AGY:
 GRANT NO/PH:           SUB GRANTEE:           PROJ NO/PH:
 MPCD:                 AGY CD-1:    2:    3:     DI:        RTI:


  F1-HELP F3-END F4-INT F8-FORWARD F11-DETAILS F12-ADDR
```

❖ The Document Transaction Year defaults based on the effective date of the transaction.

IMPORTANT: Release or pre-release these batches!

❖ For payments due on Sept. 1 (or Sept. 2), transactions should be entered and ready by Wednesday, Aug. 27.

❖ Payments for error-free transactions processed on Sept. 2 will be distributed Wednesday, Sept. 3.

Requesting August Monthly Reports

August monthly reports will run on Friday, Sept. 5, 2025 (so we'll be in the new fiscal year when the August reports run).

During the week of Sept. 1:

➢ On your Agency Control Profile (25) for `FISCAL YEAR` 26, set the `REPORTING INDS-MO` field to **Y**:

```
TEXAS  S025              UNIFORM STATEWIDE ACCOUNTING SYSTEM    MM/DD/YY HH:MM PM
 LINK TO:                        AGENCY CONTROL PROFILE                      PROD
       ACTION: R (A=ADD, C=CHANGE, D=DELETE, N=NEXT, R=RECALL)
       AGENCY: XXX       FISCAL YEAR: 26

   COST         CA RUN:       CA TYPE:        NO STEPS:      LAST STEP:
 ALLOCATION-  CA BY IDX:    CA BY PROJ:     CA BY GRANT:      CA POST:
             CA RANGE FROM:      TO:
 BILLING DEF-  IDX:         PCA:        EXP COMP/AGY OBJ:
    DEFAULT-   IDX:         PCA:        REV COMP/AGY OBJ:


         ENC DOC MATCH LVL: 0 (LEVEL OF DOCUMENT MATCH:0=NONE,1=APPN,2=ALL)
     PRE ENC DOC MATCH LVL: 0 (LEVEL OF DOCUMENT MATCH:0=NONE,1=APPN,2=ALL)
             ENC INDICATOR: N (Y OR N; REDUCE AUTHORITY/CASH)
         PRE ENC INDICATOR: N (Y OR N; REDUCE AUTHORITY/CASH)
         AGENCY OBJECT IND: N (R=REV, E=EXP, B=BOTH, N=NONE)
         LAST MONTH CLOSED: 00      AGY BUD BY ORG IND: N    (Y OR N)
          LAST YEAR CLOSED: 21      AGY BUD BY PGM IND: N    (Y OR N)
         REPORTING INDS- MO: Y QTR: N YR: N    PY OPEN: N FA CONTROL: N
     GRANT/PROJ BILLING RUN: N       FA DEP RUN: N      STATUS CODE: A
   EFF START DATE: 09011992   EFF END DATE:           LAST PROC DATE: 03312021
 Z06 RECORD SUCCESSFULLY RECALLED
 PLEASE ENTER FUNCTION
 F1-HELP F3-END F4-INTERRUPT F6-PROCESS
```

Requesting August Monthly Reports (Cont.)

➢ If using **relative** fiscal periods, on your Report Request Profile(s) (91), verify the:

❖ PERIOD field is set to **PM**.

❖ FREQUENCY field is set to **MONTHLY**.

❖ STATUS CODE field is set to **A**.

```
TEXAS  S091          UNIFORM STATEWIDE ACCOUNTING SYSTEM        MM/DD/YY HH:MM PM
LINK TO:                      REPORT REQUEST PROFILE                          PROD


ACTION: R (A=ADD,  C=CHANGE,  D=DELETE,  N=NEXT,  R=RECALL)


     AGENCY: XXX      REQUESTOR: AAAA      REPORT ID: DAFR9670 REQUEST NO: 01
   APPN YEAR:              PERIOD:  PM              FY:      FREQUENCY:  MONTHLY

LEVEL -   ORG: 2 PROGRAM:   OBJECT:   FUND: 4 NACUBO FUND:   GL ACCT:
        GRANT:    PROJECT:
AGENCY GROUP:            CONFIDENTIAL INFO: N ( P,T,B,N )
SPECIAL SELECTS -
     AGENCY: XXX                           ORG CODE:
PROGRAM CODE:                          NACUBO FUND:
 APPROP FUND:                              FUND:
 COMP OBJECT:                          AGY OBJECT:
    GL ACCT:                          AGY GL ACCT:
      GRANT:                             PROJECT:
  SPEC SEL 1:                          SPEC SEL 2:
LST RUN DATE:          LINES:                      STATUS CODE: A
EFF START DATE: 06132002   EFF END DATE:           LAST PROC DATE: 10102020



   F1-HELP     F3-END     F4-INTERRUPT     F6-PROCESS
```

Note: The FY field is not populated when using a relative PERIOD.

Requesting August Monthly Reports (Cont.)

➢ If using **specific** fiscal periods, on your Report Request Profile(s) (91), verify the:

❖ `PERIOD` field is set to **12**.

❖ `FY` field is set to **25**.

❖ `FREQUENCY` field is set to **MONTHLY**.

❖ `STATUS CODE` field is set to **A**.

```
TEXAS  S091          UNIFORM STATEWIDE ACCOUNTING SYSTEM      MM/DD/YY HH:MM PM
 LINK TO:                    REPORT REQUEST PROFILE                      PROD


 ACTION: R (A=ADD,  C=CHANGE,  D=DELETE,  N=NEXT,  R=RECALL)


     AGENCY: XXX     REQUESTOR: AAAA     REPORT ID: DAFR9670 REQUEST NO: 01
 APPN YEAR:              PERIOD: 12             FY: 25  FREQUENCY: MONTHLY


 LEVEL -   ORG: 2 PROGRAM:  OBJECT:  FUND: 4 NACUBO FUND:   GL ACCT:
       GRANT:   PROJECT:
 AGENCY GROUP:          CONFIDENTIAL INFO: N ( P,T,B,N )
 SPECIAL SELECTS -
       AGENCY: XXX                        ORG CODE:
 PROGRAM CODE:                            NACUBO FUND:
  APPROP FUND:                            FUND:
  COMP OBJECT:                            AGY OBJECT:
     GL ACCT:                             AGY GL ACCT:
       GRANT:                             PROJECT:
  SPEC SEL 1:                             SPEC SEL 2:
 LST RUN DATE:        LINES:              STATUS CODE: A
 EFF START DATE: 06132002   EFF END DATE:        LAST PROC DATE: 10102020



   F1-HELP     F3-END     F4-INTERRUPT     F6-PROCESS
```

Internal Transaction File

General Internal Transaction (IT) File Reminders

➢ All fiscal 2025 transactions should be successfully processed, paid and written to history by Aug. 29.

➢ Cash transactions (post to GLs 0045 or 0052) should process off the IT file *prior* to Aug. 29.

> **Note:** Cash transactions that fail to process on Aug. 29 must be deleted and re-entered with a current (fiscal 2026) Effective Date.

➢ Research and correct your batch errors daily.

> **Note:** Remember to balance and release the corrected batches.

➢ **Never** make any changes or deletions to system-generated batch types – these are the "alpha" batch types.

> **Note:** Changing data elements on these batches can cause appropriation, fund and/or system imbalances.

Internal Transaction File (Cont.)

General Internal Transaction (IT) File Reminders (Cont.)

➤ Submit [Super Security Delete (SSD) Requests](#) (Form 73-310) *now* for batches older than 30 days.

> **Remember:** SSD requests must be submitted by 2 p.m. to ensure same-day processing.

➤ On **Aug. 29**, submit SSD requests by (or before) **noon** to ensure same-day processing to assist Fiscal Management's preparation for fiscal year-end close.

Internal Transaction File (Cont.)

Review the USAS 530 Screen

The View Batch Headers (530) screen (the "53 screen") provides clues for why a batch is still pending and what corrective actions are necessary.

Use the SORT field to sort batches in a particular order (such as by date, batch type, balancing indicator or status).

```
TEXAS   S530              UNIFORM STATEWIDE ACCOUNTING SYSTEM    MM/DD/YY HH:MM AM
LINK TO:                          VIEW BATCH HEADERS                        PROD


ACTION: N (F=FIRST PAGE, N=NEXT PAGE, S=SELECT BATCH)
   SORT:     (D=DATE T=TYPE N=NMBR S=STATUS B=BAL M=MODE F=FPP BLANK=DEFAULT)
BATCH AGENCY: 123                                       PRINTER ID:
   ...BATCH ID...            EFF   ENTERED    ENTERED      COMP         COMP
S   DATE TYP NO   STA BAL MD FPP DATE  COUNT     AMOUNT      COUNT       AMOUNT
   051224 4  501  P   Y   4  # 051224 00005 00000167600.00 00005  00000167600.00
   060824 4  501  P   Y   4    060824 00001 00000010000.00 00001  00000010000.00
   060924 4  501  P   Y   4  * 060924 00005 00000049550.57 00005  00000049550.57
   061724 4  501  P   Y   4    061724 00004 00000035052.00 00004  00000035052.00
   062024 4  501  P   Y   4    062024 00002 00000091671.85 00002  00000091671.85
   062324 2  608  H   Y   3    062324 00022 00116009746.52 00022  00116009746.52
   062324 2  609  H   N   3    062324 00070 00000000697.68 00070  00000000697.68
   062324 4  379  H   Y   3    062324 00001 00000000577.04 00001  00000000577.04
   062424 4  698  H   N   1    062424 00015 00004231629.82 00015  00004231629.82
   062424 2  608  R   Y   0    062424 00018 00002604421.68 00018  00002604421.68
   062424 2  609  R   Y   0    062424 00086 00000000209.18 00086  00000000209.18
   062424 2  611  R   Y   0    062424 00002 00000004635.24 00002  00000004635.24
* = FAILED PAYMENT PROCESSING (FPP) ERRORS; # = NEGATIVE BALANCE ERROR(S)


TO VIEW ADDITIONAL SUMMARY RECORDS, PRESS ENTER
F1-HELP F3-END F4-INTERRUPT F8-DOC/TRACK F9-BALANCING F10-RECALL F11-DETAILS
```

Internal Transaction File (Cont.)

Review the USAS 530 Screen (Cont.)

Refer to the following columns for specific batch information:

➢ `STA` – Batch Status indicator — verify if the batch is on hold or needs an approval:

❖ If `STA` = H and `MD` not = 4, release the batch.

> **Note:** Batches in Edit Mode (`MD`) 4 do not need to be balanced or released.

❖ If `STA` = A, the batch is awaiting approvals.

> **Note:** Review the `STATUS`, `RQ ACT` and `REQUIRED REAPPROVAL` `ACTIONS` fields on the Document Tracking Inquiry (37) screen.

Internal Transaction File (Cont.)

Review the USAS 530 Screen (Cont.)

➢ `BAL` – Batch Balance indicator — if **N** (unbalanced), verify if the:

- ❖ Batch has been released. Batches that have never been released will also be "unbalanced."

- ❖ `ENTERED BATCH COUNT` and `ENTERED BATCH AMOUNT` match the `COMPUTED BATCH COUNT` and `COMPUTED BATCH AMOUNT`. Update on the Change Batch Header (511) screen.

- ❖ Document Amount matches the absolute total of the transaction amounts within the document.

  Note: Transactions with the reversal indicator ("R") are counted as positive amounts when computing the Document Amount.

- ❖ Total of cash transactions – such as for journal and expenditure transfer vouchers – nets to zero.

- ❖ AGLs are not out of balance.

Internal Transaction File (Cont.)

Review the USAS 530 Screen (Cont.)

➢ MD – Batch Edit Mode indicator:

❖ 0 = No data or funding edits have been done.

❖ 1 = Data edits done online but must go through cycle for funding edits and posting to occur.

❖ 2 = Data and funding edits done online and batch has posted.

❖ 3 = Transactions are in error status and cannot process until fixed.

❖ 4 = Transactions have posted but have not finished or paid.

Internal Transaction File (Cont.)

Review the USAS 530 Screen (Cont.)

➢ FPP – Failed Payment Processing Error indicator:

`*` = Failed payment processing errors.
- ❖ Payment not generated due to failed funding edits.
- ❖ Funding must be available for payment to be generated.
- ❖ Funding error may be at the appropriation or fund level.

`#` = Negative payment processing errors.
- ❖ Payment not generated due to net negative payment amount.
- ❖ USAS cannot generate negative payments.
- ❖ Net negative payment transactions remain on the IT file until sufficient positive payment transactions are processed.
- ❖ Negative payments mean the state is owed money, and each day that a negative payment sits on the IT file, the state loses potential interest revenue.
- ❖ If the negative payment(s) cannot process and you need assistance with collecting the overpayment, see *Accounting for Uncollectible Accounts (APS 027)* (FPP C.001).

Internal Transaction File (Cont.)

Helpful DAFRs

Use daily control DAFRs to help identify transaction statuses and errors:

➢ **Batch/Document Processing Summary (DAFR2021) –** Displays whether Input Records submitted to USAS from another accounting system (including CAPPS) were accepted by USAS for processing.

➢ **Agency Batch Error Report (DAFR2151) –** Displays transactions with funding and/or data-related errors detected during cycle.

➢ **USAS Transaction Aging Report (DAFR2221) –** Displays outstanding batches and each batch's processing status.

➢ **USAS IT Status Report (DAFR3331) –** Displays documents with errors detected during cycle, including funding and data element errors and documents requiring approval.

Internal Transaction File (Cont.)

Helpful DAFRs (Cont.)

➢ **Payment Error Comparison Report (DAFR3521) –** Displays payment processing errors such as payments not generated due to future payment due dates or fatal funding errors.

➢ **Transactions Cancelled for Negative Balances (DAFR3601) –** Displays transactions that were cancelled (not paid and remaining on the IT file) due to a net negative payment amount.

➢ **Fund Control Errors Occurring During Pmt Processing (DAFR3631) –** Displays transactions in which funding, vendor and/or document errors were detected during the payment processing cycle.

Internal Transaction File (Cont.)

IT File Helpful Hints

➢ If you enter **C** (change) on the Recall a Batch for Correction (510) screen, USAS puts the batch on hold and it must be re-released – **even if no changes were made to the transactions!**

> **Note**: Enter **V** (view) if you just want to review the transactions.

➢ H-N-4, H-Y-4, P-N-4, P-Y-4 Batches

❖ These are fully posted and do not require a batch release or balancing for USAS to generate payments.

❖ They may be pending due to:

- A future payment date.
- Required approvals.
- Payment processing errors.

❖ For additional information, see H-N-4, H-Y-4, P-N-4, or P-Y-4 Batches in *USAS Internal Transaction File Maintenance and Super Security Delete Process* (FPP Q.001).

Internal Transaction File (Cont.)

IT File Helpful Hints (Cont.)

➢ Use caution when correcting or deleting transactions from reimbursement/third-party payment documents when the batch is in edit mode **3**.

❖ These use T-code pairs 246/903, 247/904, or 264/905.

❖ Deleting detail transactions (T-codes 246/247/264) results in an out-of-balance document.

- If the summary transaction (T-codes 903/904/905) cannot be updated, the batch cannot be balanced and the batch cannot be released.

❖ For information on troubleshooting these documents, see Reimbursement/Third-party Documents in *USAS Internal Transaction File Maintenance and Super Security Delete Process* (FPP Q.001). This guidance includes:

- Scenarios when it is safe to delete transactions.
- Options when transactions cannot be deleted but the document contains errors.

Fiscal Year-End Close Resources

- Uniform Statewide Accounting System (USAS) index page
- USAS Documentation
- USAS Batch Posting Sequence
- USAS Frequently Asked Questions (FAQs)
- System Outages and Holidays Calendar
- *USAS Annual Close Process (FPP Q.004)*
- 2025 Master Schedule of Fiscal Year-End Close Events
- eXpendit's Payment Scheduling
- eXpendit's Prompt Payment
- *USAS Comptroller Objects That Require Pre-Payment Audit and/or Descriptive/Legal Text for Purchase Documents (FPP I.008)*
- *USAS Internal Transaction File Maintenance and Super Security Delete Process (FPP Q.001)*
- USAS Document Tracking Screens

USAS System-Generated Lapse

Navigating Encumbrance Reporting and Lapsing of Appropriations (APS 018) – FPP A.019

➢ APS 018 provides guidelines for state agencies and institutions of higher education on reporting binding encumbrances and payables for appropriated funds.

➢ Timely and accurate reporting is crucial to determine the amount for the Economic Stabilization Fund (ESF) transfer and to create the Biennial Revenue Estimate (BRE).

Key Reporting Requirements

➢ Agencies must report binding encumbrances and payables in USAS within 30 days after the close of each of the first three quarters.

➢ Fiscal year-end binding encumbrances and payables **must** be reported annually by **Oct. 30** to the:
  ❖ Comptroller's office
  ❖ State Auditor's office (SAO)
  ❖ Legislative Budget Board (LBB)

Note: (Sept. 30 for GCAs).

➢ The report must include all active appropriation years and all appropriated funds.

USAS System-Generated Lapse (Cont.)

Impact on Economic Stabilization Fund (ESF)

➢ The ESF is otherwise known as the "Rainy Day Fund."

➢ The Texas Constitution requires half of the unencumbered positive general revenue fund balance to be transferred to the ESF at the end of each biennium.

➢ Entering binding encumbrances and payables in USAS by the deadline directly affects the amount transferred to the ESF.

Impact on Biennial Revenue Estimate (BRE)

➢ Accurate encumbering and lapsing of appropriations are critical for creating the BRE.

➢ The legislature uses the BRE to determine the available resources for appropriations to state agencies and institutions of higher education during each legislative session.

Annual Automatic Lapse Process

➢ On Nov. 1 of each fiscal year, the Comptroller's office lapses all unencumbered non-construction appropriation balances for prior years based on reported payables and encumbrances.

➢ The automatic lapse algorithm examines each USAS balance type (BT) as of Aug. 31 and Oct. 30, following a logical sequence to calculate committed and collected lapse amounts.

USAS System-Generated Lapse (Cont.)

How Appropriation Control Officers Assist Agencies

➤ Advise on reducing appropriation revisions where necessary (T-codes 006R/009R).

➤ Advise proper entry and backdating of encumbrances/ accruals.

➤ Confirm and approve agency-calculated and entered unexpended balances and lapses USAS.

➤ Advise on correcting excess revenue collections errors. Errors occur when BT 11+ BT 13 ≠ BT 12). Error correction is usually made with T-code 179R/195 or 195R/179.

➤ Advise on moving fund cash forward (to unappropriated) or to the sweep (as appropriate).

➤ Ensure that USAS D23 profiles are active in the current fiscal year for any funds that are subject to lapse.

USAS System-Generated Lapse (Cont.)

Key Lapsing Algorithm

➢ The lapsing algorithm uses this the logic of "accrued or encumbered amounts available for expenditure as of 10/30," which is calculated as follows:

❖ BT 16 – Cash Reserved for:
- Payroll BT 17 – Accrued Expenditures
- BT 18 – Encumbrances Outstanding

❖ Total accruals as of fiscal month 13:
- BT 15 – Expenditures as of 10/30
- **Less** BT 15 – Expenditures as of fiscal month 13

❖ Change in expenditures between fiscal month 13 and 10/30:
- Total accruals as of FM 13
- **Less** Change in Expenditures between fiscal month 13 and 10/30

❖ Accrued or encumbered amounts available for expenditure as of 10/30.

Agency Action Items

➢ Review and clean up budgetary screens, especially in October.

➢ Accurately report binding encumbrances and payables by the deadlines.

➢ Work with your appropriation control officer to address any issues or questions.

➢ Ensure compliance with APS 018 to support the state's financial management processes.

Resources and Contacts

➢ *Encumbrance Reporting and Lapsing of Appropriations APS 018* (FPP A.019) is available on FMX.

➢ Contact your appropriation control officer for assistance.

➢ If you have questions or concerns, reach out to Kevin Muir by email at kevin.muir@cpa.texas.gov or by phone at 512-463-2068.

Shared Cash Review

Shared funds are state funds appropriated for use by more than one agency. To ensure cash in state treasury (CIST) is not double-counted and all shared fund activity is reported by the appropriate agency, the non-controlling agency's shared fund general ledger account 0045 (CIST) and 0047 (shared cash) must net to zero.

In fiscal 2024, a new process (using T-codes 460 and 461) for recording shared funds was introduced allowing agencies to make a one-sided journal entry.

The old process (using T-codes 654, 655, 662 and 663) is still operational and available to agencies. The old process will require a central journal entry due to the involvement of multiple agency numbers.

Agencies must coordinate interfund activity to ensure the AGLs and amounts are reported correctly by Tuesday, **Sept. 26, 2025**.

Note: This coordination applies to **transfers, due from/due to**, federal grant pass throughs and state grant pass-throughs.

Shared Cash Review (Cont.)

Available Processes

1. Old method: Agencies must coordinate with each other (and with the Financial Reporting section) to enter this activity into USAS.

Accounts Receivable or Payable = No

Controlling Agency	Non-Controlling Agency
TC 654 — Generic Debit Activity — Transfer Out:	**TC 655 — Generic Credit Activity — Transfer In:**
6051 Transfers Out - Reporting Adjustment (COBJ 7980)	**0047** Shared Cash
0047 Shared Cash	**6011** Transfers In - Reporting Adjustment (COBJ 3980)

Accounts Receivable for the Non-Controlling Agency = Yes

Controlling Agency	Non-Controlling Agency
TC 662 — Due from GL Debit w/ Reversal — Generic:	**TC 663 — Due To GL Credit w/ Reversal — Generic:**
0284 Due From Other Agencies	**9999** System Clearing
9999 System Clearing	**1050** Due To Other Agencies
TC 655 — Generic Credit Activity — Transfer In:	**TC 654 — Generic Debit Activity — Transfer Out:**
9999 System Clearing	**6051** Transfers Out - Reporting Adjustment (COBJ 7980)
6011 Transfers In - Reporting Adjustment (COBJ 3980)	**9999** System Clearing

Accounts Payable for the Non-Controlling Agency = Yes

Controlling Agency	Non-Controlling Agency
TC 663 — Due To GL Credit w/ Reversal — Generic:	**TC 662 — Due from GL Debit w/ Reversal — Generic:**
9999 System Clearing	**0284** Due From Other Agencies
1050 Due To Other Agencies	**9999** System Clearing
TC 654 — Generic Debit Activity — Transfer Out:	**TC 655 — Generic Credit Activity — Transfer In:**
6051 Transfers Out - Reporting Adjustment (COBJ 7980)	**9999** System Clearing
9999 System Clearing	**6011** Transfers In - Reporting Adjustment (COBJ 3980)

Shared Cash Review (Cont.)

Available Processes (Cont.)

2. New method: Agencies may enter their own activity into USAS to offset GL 0045 Cash in State Treasury on their general ledger.

Entry Based On Either Positive or Negative Activity

Adjust Positive Shared Cash	Adjust Negative Shared Cash
TC 460 — Shared Fund Transfer Out:	**TC 461 — Shared Fund Transfer In:**
6052 Shared Fund Transfers Out (COBJ 7973)	**0047** Shared Cash
0047 Shared Cash	**6012** Shared Fund Transfers In (COBJ 3973)

➢ Controlling agencies will refer to the **CR101** report in their ad hoc file to record their portion of the shared fund cash activity.

➢ Non-controlling agencies should use their **DAFR8580** or the **SIRS Balance Sheet** to record their portion for each D23 Fund.

FMQuery – SIRS Main Menu

❖ USAS Financial Statements: Balance Sheet/Statement of Net Position **by Fund** with GL Account

> Fiscal 2025, Adjusted (Month 13) Balances, BC = Both N & Y

❖ Reports that provide list of D23 Fund rollups: PCU106, PCU113 and DAFQD230

> **Note:** Coordination amongst agencies is still required even when booking a one-sided entry in order to confirm D23 Fund to reference in AGL field.

Shared Cash Review (Cont.)

Due From and Due To Assessment

When the transaction activity occurs in the **same GAAP Fund and GAAP Fund Type**, the balances in Transfers, Due From and Due To are overstated and need to be reduced by offsetting the activity to $0.

Coordinate with your financial reporting analyst to determine whether a **Due From** or **Due To** needs to be recorded based on the existence of recorded Accounts Receivable or Accounts Payable.

> **Note:** If this activity occurs in the same **GAAP Fund and GAAP Fund Type** and your agency **wants** to include the Due From/Due To on the financials, email a request to your financial reporting analyst. Otherwise, the activity will **not** be recorded.

➢ Initial entries (Edit Mode 2) made by Oct. 1.

➢ Monitoring for additional accounts receivable or accounts payable through Oct. 31.

➢ Final entries (Edit Mode 2) made by COB Nov. 1.

Shared Cash Review (Cont.)

Example of One-Sided Process

AGENCY AAA
ACFR 25
CR 101
CASH IN STATE TREASURY
1ST COL: CIST PER 57 SCREEN-REPORT ROUTE AGENCY
2ND COL: CIST NET GLS0045,7,8 0071, 0451-FINANCIAL AGY

REPT ROUTE AGY	APPD FUND	CONSOLIDATED FUND	AGY	CIST 57 SCREEN	CIST GL 45, 47, 48	MUST BE ZERO FOR EACH GAAP FUND
AAA	0006			-300,000,000.00	-	-300,000,000.00
				303,606,000.00	-	303,606,000.00
			BBB	-	-300,000.00	300,000.00
			AAA	-	2,500,000.00	-2,500,000.00
			CCC	-	1,400,000.00	-1,400,000.00
			DDD	-	6,000.00	-6,000.00
APPD FUND 0006 BAL				3,606,000.00	3,606,000.00	-

Shared Cash Entries by Agency

AGY	2nd Column	T-Code	Transfer Direction	COBJ	GL Acct Debit (+)	GL Acct Credit (-)	Entry Amount	AGL	Net CIST After Entry
BBB	Negative	461	In	3973	0047	6012	$300,000.00	AAAXXXX0	$0.00
CCC	Positive	460	Out	7973	6052	0047	$1,400,000.00	AAAXXXX0	$0.00
DDD	Positive	460	Out	7973	6052	0047	$6,000.00	AAAXXXX0	$0.00
AAA	Positive*	460	Out	7973	6052	0047	$300,000.00	BBBXXXX0	
AAA	Positive*	461	In	3973	0047	6012	$1,400,000.00	CCCXXXX0	$3,606,000.00
AAA	Positive*	461	In	3973	0047	6012	$6,000.00	DDDXXXX0	

*AAA's 2nd column amount is positive overall, BUT as the controlling agency it must offset the other agencies' balances. Final CIST balance must match 57 screen.

Additional Information

Topic	Section	Contact Information
•Budget Revisions •Journal Vouchers	Appropriation Control	Appropriation Control Directory
•Annual Financial Reports	Financial Reporting	Financial Reporting Directory
•Purchase and Travel Pre-Payment Audit Approvals •Payment Due Dates and AY Determination	Expenditure Assistance	Expenditure Assistance Directory or call (512) 475-0966
•CAPPS Financials or HR/Payroll	CAPPS Help Desk	Capps.help@cpa.texas.gov or call (512) 463-2277
•Texas Identification Number System (TINS) • Reinstated Warrant Cancellations – USAS	Payment Services	tins.mail@cpa.texas.gov or call (512) 936-8138
•Treasury Deposits	Banking and Electronic Processing	(512) 463-6385
•Warrant Cancellations – Treasury	Treasury	(512) 475-3288
•Super Security Deletes •USAS Year-End Close Process	Fiscal Systems Analysis	usas.maintenance@cpa.texas.gov

Upcoming Webinar

➢ Date: **Aug. 21** (Thursday)

➢ Time: **10 a.m. – Noon** (CDT)

➢ Attend: **online** or **in person**

➢ Anticipated Topics:
- ❖ Legislative Update
- ❖ Expenditure Assistance Update
- ❖ Payment Services Update
- ❖ AFR Deadlines and Reminders

Open Q&A Session

Moderated by Esteban Garcia, the Financial Reporting staff and Statewide Fiscal Programs staff are available to answer:

➢ Questions in the Chat (from Webex attendees)

➢ Questions from in-person attendees

We welcome all questions.