

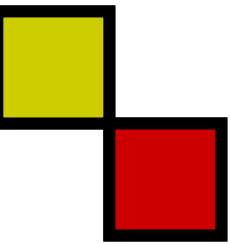
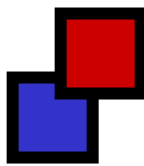
Cash Zero-Out Process and DPI Reports

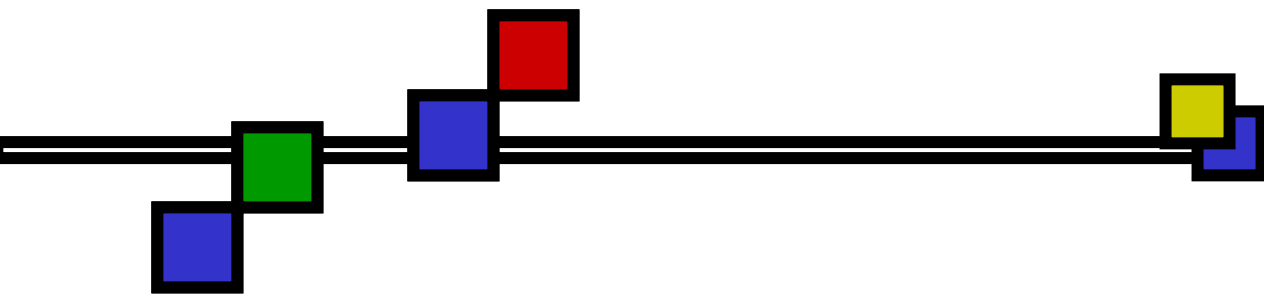


NCASBO Conference
February 13, 2008

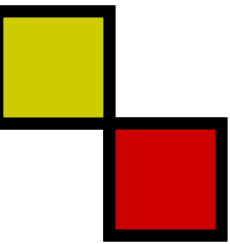


Cash Zero-out

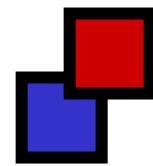
- 
- Process of balancing **cash certifications** with the **expenditures** reported to DPI for a given month
 - **Cash certifications** – **Expenditures** =
Cash Zero-out
 - Usually occurs between the 10th and 15th of the following month
- 



Cash Zero-out

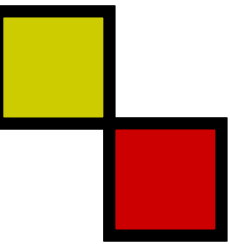
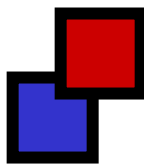


- Purpose of zero-out process is to bring the prior month's cash balance to zero
- DPI takes a snapshot of your data at a particular point in time
- State zero-out = all state funds, including School Technology money
- Federal zero-out = by individual PRC



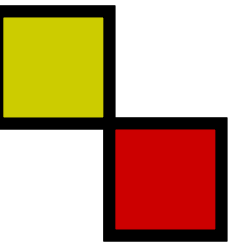
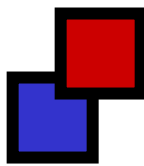


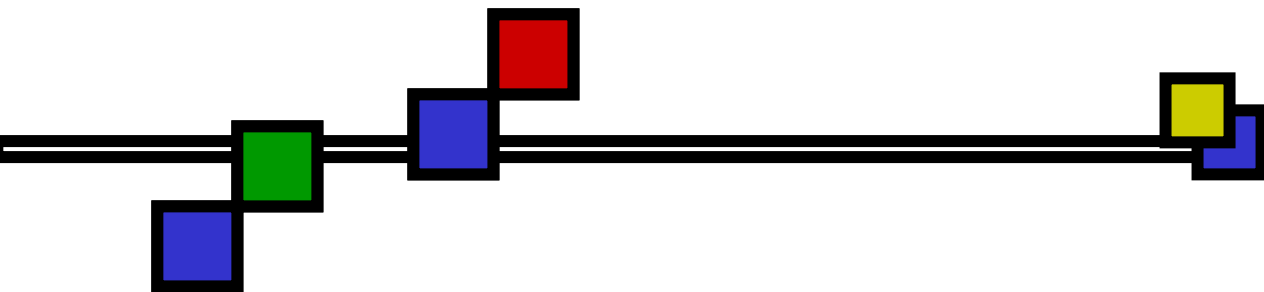
Cash Certification Part

- 
- The sum of:
 - Prior month's calculated cash balance per the JHA856EG report (Certifications History Report)
 - Net certifications for the month per the JHA856EG report
- 



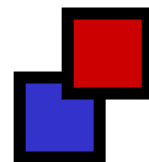
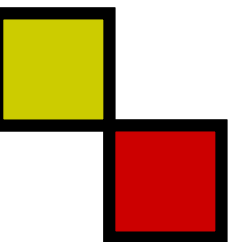
Cash Certification Part

- 
- NOTE on Net Certifications:
 - Net certifications would include any deposit transaction that has posted to your cash account for the period, which includes last month's zero-out certification and certifications from your requests (funds requirement date within month range)
 - Print screen any cash requests/certifications and keep in a folder
- 



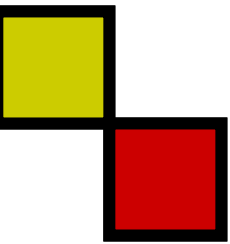
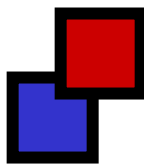
Expenditure Part

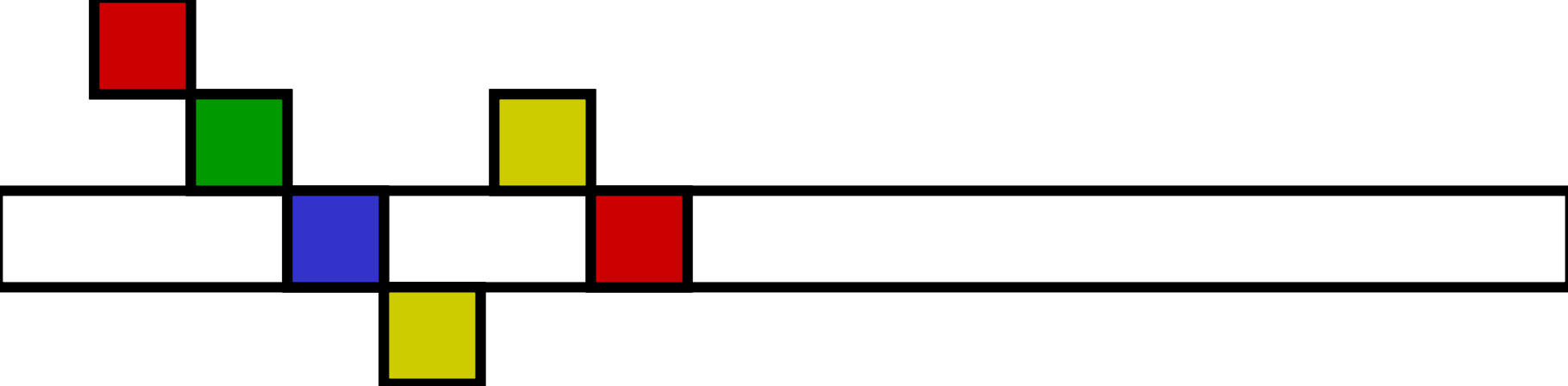
- Net Expenditures for the month per the JHA856EG report
- Net Expenditures include data file expenditures, any refunds or other adjustments paid (BUD/202 entries)





Expenditure Part

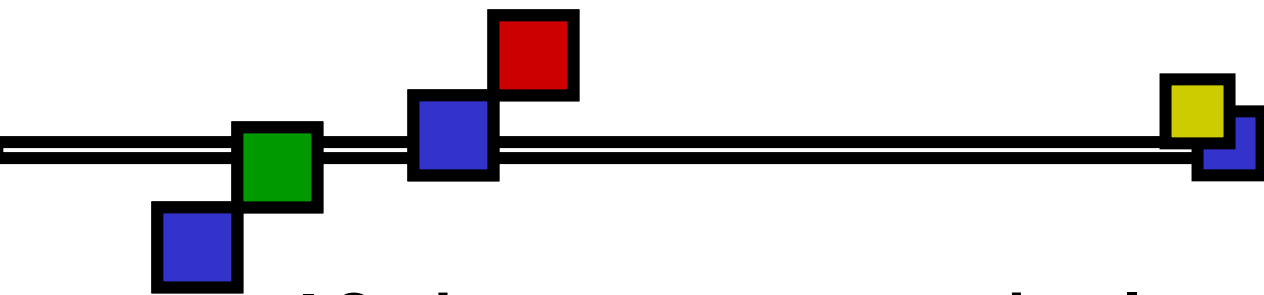
- 
- REMINDER on BUD/202 entries:
 - Depending on when the BUD/202 entry is received and processing by DPI, the entries could be posted to the LEA's ledger in an earlier processing period than posted to DPI's ledger (= difference on 899 MFR/DBS Match Report)
 - The differences will take catch up over time – usually by the next processing period
- 



Cash certifications – Expenditures
=

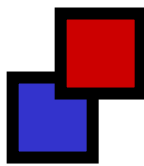
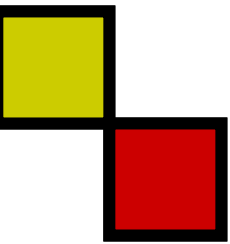


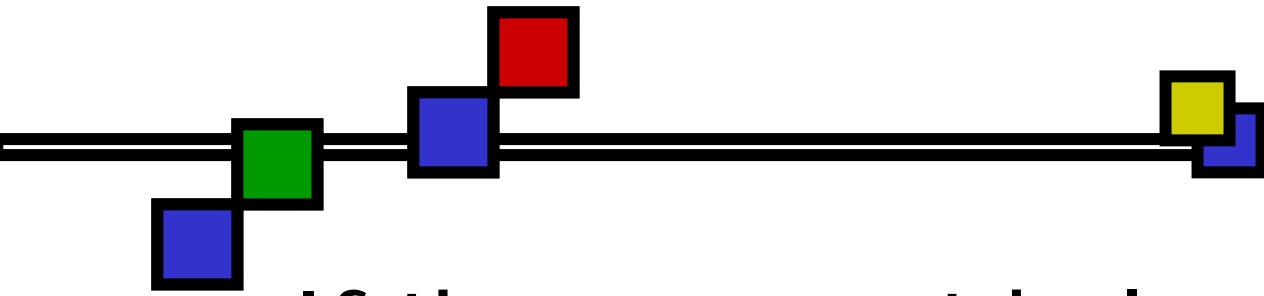
Cash Zero-out



If the zero-out balance is **POSITIVE** then:

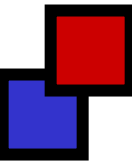
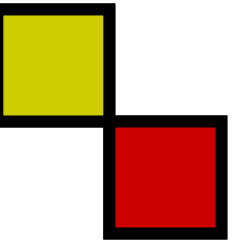
- Means extra cash on-hand
- DPI processes a negative certification to reduce the cash balance to zero





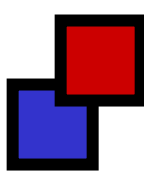
If the zero-out balance is **NEGATIVE** then:

- Means insufficient funds
- DPI processes a positive certification to bring the cash balance up to zero



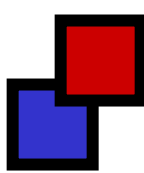


The particular point of time of Zero-out

- DPI has a nightly 8:00 job (Monday – Friday) to receive BUD batches. These batches are not processed until the morning of the next working day
 - Effective 7/1/07, DPI **now processes BUDs** the final 2 working days of the month (previously these batches were held until the first of the next month)
 - Any BUDs sent during the last 2 days of the month will be processed as current month's activity as long as the processing period in the batch is for the current month
- 

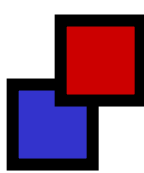


The Finance Officer's Award and Zero-out

- Zero-out is 1 of the 7 categories tracked for the annual Finance Officer's Award
 - A 2 point category (perfect score = 12)
 - July and August zero-outs basically ignored
 - Receive points if have 9 or more months with a zero-out of $< 3\%$
- 

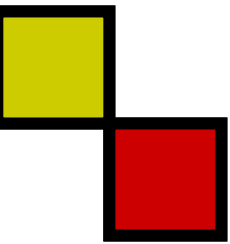
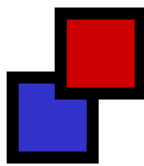


The Finance Officer's Award Criteria and Points

1. No salary audit exceptions as of 9/30 (2)
 2. No state or federal position overdrafts as of state closeout as of 13th period (2)
 3. No overspent state dollar allotments as of 13th period (2)
 4. Underspent state dollar allotments <.1% as of 13th period (2)
 5. SPSF zero-out 3% of MTD expenditures for 9 months or more (2)
 6. 7 or more months with no invalid expenditure codes (1)
 7. 10 or more months with no UERS data errors (1)
- 

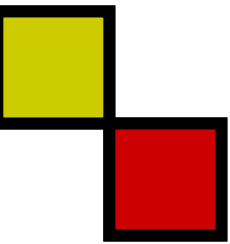
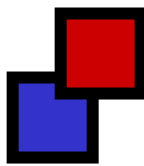


Managing Zero-out

- 
- Only regular State funds are considered for the Finance Officer's Award
 - Try to write all payroll and accounts payable checks by about the 25th of the month
 - Check your certification folder and make sure all cash requests have been recorded
 - Run MTD revenue and expenditure reports to make sure your certification requests are in line with your expenditures
 - Plan ahead – you can do a negative certification if you have request too much cash during the month but DPI frowns on emergency certifications (positive or negative) as a means of managing your zero-out
- 

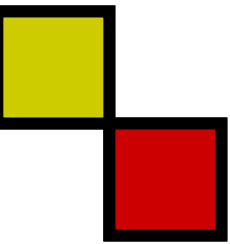
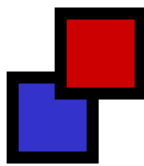


Managing Zero-out

- 
- Post your zero-out each month – your June zero-out will be back posted to the 12th period
 - Post Worker's Comp disability refunds as soon as you receive the letter from DPI - the reduction of state expenditures will effect your next zero-out
 - Stay away from BUD entries at the end of the month!!
 - **BALANCE YOUR BANK STATEMENT** so you don't have to request extra cash to cover a reconciling item
 - Be careful of using liabilities when writing checks – DPI ignores all expenditures on liability codes so you won't get the money in the zero-out and your bank statement will not balance
- 

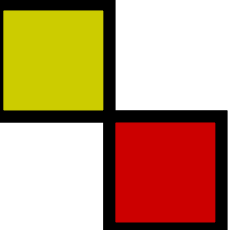
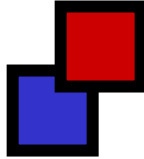


UERS Reporting Calendar

- www.ncpublicschools.org/fbs/finance/reporting/
 - **Remaining FY07-08 UERS Data Transfer Schedule**
 - 2008
 - February 03/03/08 (Monday)
 - March 04/03/08 (Thursday)
 - April 05/05/08 (Monday)
 - May 06/03/08 (Tuesday)
 - June 06/30/08 (Monday)
 - AFR (Preliminary) 07/08
 - (Final) 08/08
- 
- 

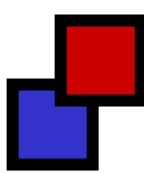


Monthly Reports Downloaded from DPI to LEAs

- 
- **Reconcile Monthly Reports** -- DPI downloads & netviews the following monthly reports:
 - JHA360EG - Cash zero out (state),
 - JHA903EG - Cash zero out (federal),
 - JHA351EG - Allotment Balance (state),
 - JHA856EG - Certification History (state),
 - JHA305EG - Budget Balance (federal),
 - JHA314EG - Cash Balance (federal),
 - JHA406CO - Allotment Balance (bonds),
 - JHA407CO - Project Balance (bonds),
 - These reports must be reconciled to the general ledger.
- 



Monthly Reports Downloaded from DPI to LEAs

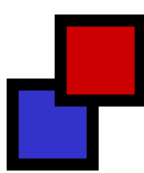
- **Reconcile Monthly Reports** -- DPI downloads & netviews the following monthly reports:
 - Monitoring Letter – Financial Data Report Card,
 - JHA899EG – MFR/DBS Match report,
 - PGA10RP4-E – MFR Error Messages Issued,
 - PGA10RP4-V – MFR Verification Messages Issued,
 - PGA10RP1 – Records Dropped due to Invalid Data,
 - PGA10RP2 – Information Dropped Per Finance Officer's Request,
 - PGA10RP5 - MFR Revenue & Expenditure Summary
 - [These reports must be reconciled to the general ledger.](#)
- 



Monthly Expenditure Reports
Cash Zero-Out Reports



State Cash Zero-out Report
(JHA360EG)

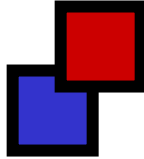
- 
- To notify the LEA of the amount of the monthly cash zero-out for the State Public School Fund (SPSF) and the School Technology Fund (ST).



Monthly Expenditure Reports
Cash Zero-Out Reports



Federal Cash Zero-out Report
(JHA903EG)

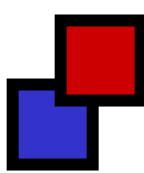
- 
- A summary report by program (PRC) to notify the LEA of the amount of the monthly cash zero-out for the Federal funds, by PRC.



Monthly Expenditure Reports State Public School Fund



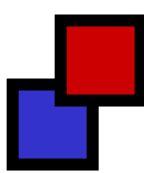
Allotment Balance Report (JHA351EG)

- This report is grouped by PRC.
 - Shows the most recent allotment; beginning YTD transaction balance; current month transactions, including adjustments and refunds by account code; source code of transaction; YTD transactions; and remaining allotment balance.
 - Used in the reconciliation process. See MFR Report "899".
- 



Monthly Expenditure Reports State Public School Fund

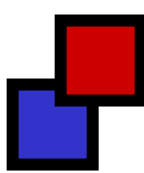
Certification History Report (JHA856EG)

- This report shows you the certifications received for each month, the expenditures recorded for each month, and your ending cash balance for the month.
 - Used to reconcile the cash certifications which have posted for your LEA.
 - Should match the **Zero-Out Report**.
- 



Monthly Expenditure Reports Federal Grants Fund

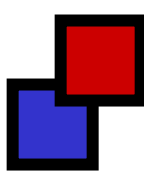
Budget Balance Report (JHA305EG)

- Report is grouped by PRC.
 - Shows the most recent budget; current month transactions, including adjustments and refunds; source code of transaction; YTD transactions; and remaining budget balance.
 - Used in the reconciliation process.
- 



Monthly Expenditure Reports Federal Grants Fund

Cash Balance Report (JHA314EG)

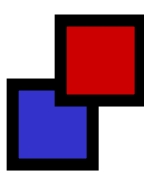
- Shows the beginning fiscal year cash balance, certifications recorded, cash transactions recorded, and the ending calculated cash balance.
 - Used to reconcile the cash certifications which have posted for your LEA.
 - Should match the **Zero-Out Report**.
- 



Monthly Expenditure Reports Monitoring Letter



Financial Data Report Card

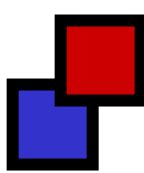
- Part 1: UERS Compliance
 - Part 2: Monthly Cash Zero-Out
 - Part 3: Expenditure Code Errors
- 



Monthly Expenditure Reports MFR Reports



DBS/MFR Match Report (JHA899EG)

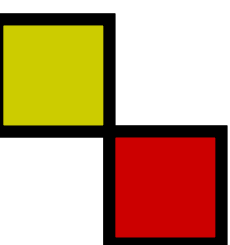
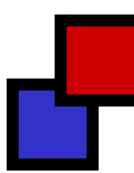
- Shows the comparison MTD and YTD between the DBS data (Datafile and BUD) and the MFR data (LEA general ledger) for Funds 1 and 3. Shows only CURRENT FY expenditures.
 - Any differences on this report must be reconciled. Monthly is recommended. **DO NOT WAIT UNTIL JUNE!**
- 

This is Your Reconciliation Report.

Matches to JHA351 and JHA305 reports.

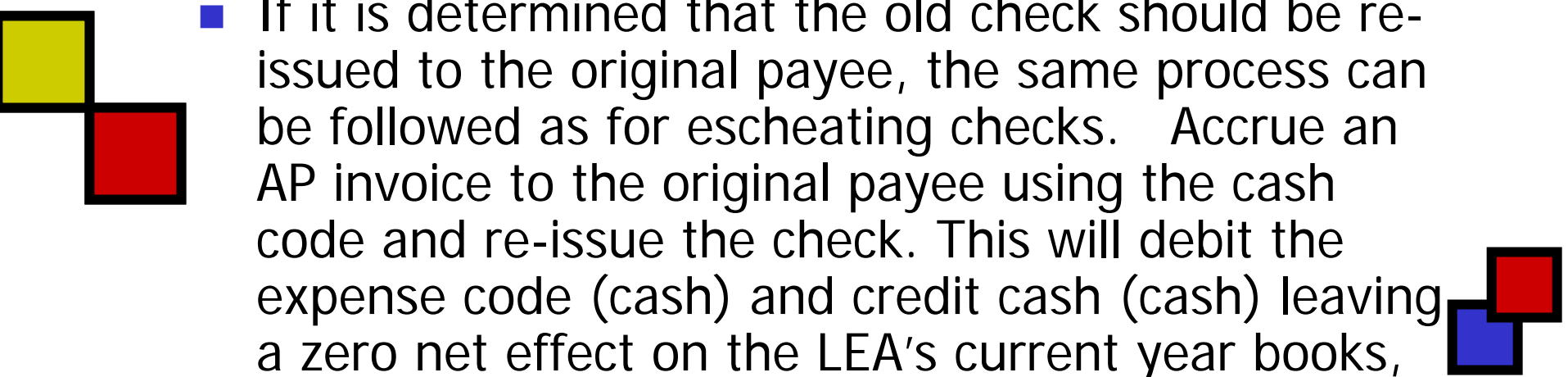


Escheating Checks

- 
- In most cases, the easiest way to escheat a check is to simply accrue the invoice against the cash account. This will debit the expense code (cash) and credit cash (cash) leaving a zero net effect on the LEA's current year books, giving a history audit trail and producing a legal voucher. Remove/Clear the original voucher on the outstanding check list in bank recon and remove the original voucher from the positive pay system.
- 

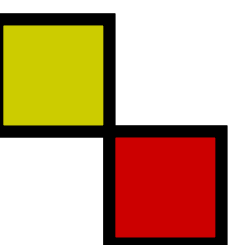
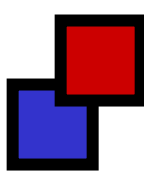


Replacing old checks

- If it is determined that the old check should be re-issued to the original payee, the same process can be followed as for escheating checks. Accrue an AP invoice to the original payee using the cash code and re-issue the check. This will debit the expense code (cash) and credit cash (cash) leaving a zero net effect on the LEA's current year books, giving a history audit trail and producing a legal voucher. Remove/Clear the original voucher on the outstanding check list in bank recon and the positive pay system.
- 



Escheating and Replacing Checks

- 
- Since the cash code is being used on the AP invoice accrual entry for these two types of checks, you will receive a UERS edit stating that the purpose and object codes are invalid. Verify that there are no other errors and continue with check processing. E-mail Ally Barfield (abarfiel@dpi.state.nc.us) the check number and amount so DPI will not count the entry as a UERS error when we pick up your financial data.
- 



FBS Newsletters



FBS Newsletters via e-mail are an important source of information.

Newsletters are usually sent weekly.

Check your e-mail everyday.

Urgent information could come any day.

Newsletters are also posted on the FBS website:
www.ncpublicschools.org/fbs/resources/newsletters

To be added to the distribution list, please contact Debby Jackson @ 919-807-3603 or [**Debjacks@dpi.state.nc.us**](mailto:Debjacks@dpi.state.nc.us).

