

State of Alabama



Department of Finance
Office of the Comptroller
Montgomery, Alabama 36130-2602

TO: Agency Accounting Contacts

DATE: July 14, 2016

SUBJECT: IMPORTANT CHANGE: TRACK 1 Agencies EOY GAE Transaction Processing

Several Track 1 agencies are using the GAE and POSM transactions to do agency specific encumbrances. These transactions do not go through the Comptroller's Office or State Purchasing approval process and are only available as a resource for agencies to process encumbrances against their agency chart of account elements. Access to enter or modify any GAE or POSM documents will be suspended on September 16, 2016 through September 30, 2016.

An important issue to note on these transactions is that they ***do*** post to the 3001 Encumbrance balance sheet in the same manner a Purchase Order or Professional Service Contract.

As you will recall, when you do your end of year accounts payable JV (APJV) you do not include encumbered amounts on the JV. The same holds true for the GAE and POSM documents. If the funds are tied up with the GAE or POSM document you will not need to include them in your APJV. However, if you plan to set-up any FY16 GAE or POSM documents during the 13th accounting period, you will need to include those amounts on your APJV. This is the agencies responsibility to make sure that the funds are accounted for in either an encumbrance document (GAE, PO, POSM, DO, etc.) or the APJV. Agencies will need to make sure that cash is available to support these encumbrances during the end of year close-out process.

Another important note is that since these GAE and POSM documents are budget fiscal year driven, they will be closed at the end of the 13th accounting period. We will run a lapse job in STAARS on the GAE and POSM transactions once the 13th accounting period has been closed. Please ensure that any items that should reference these documents are processed **before the 13th accounting period is closed. Any funds remaining will revert according to the reversion provision for that fund.**

At this time, these procedures affect Track 1 agencies only. If you have any questions about this process, please call Pam Harris at 334-242-4225 or Kathleen D. Baxter at 334-242-4857.

Sincerely,

Tom White