

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

**GAAP CLOSING PROCEDURES MANUAL**

**ACCOUNTS PAYABLE CLOSING PACKAGE**

|            |          |
|------------|----------|
| REFERENCE  | 3.12     |
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PURPOSE AND OBJECTIVES

Payables at June 30 are amounts owed for goods and services that your agency both:

- o Received on or before June 30.
- o Paid for after June 30.

Payables at June 30 also include grant funds owed to grantees or subrecipients that are non-State organizations, including municipalities and counties.

This closing package does not concern itself with:

- o Amounts payable to other State agencies within the State's financial reporting entity (see Key Terms) and to other funds within your agency. (If your agency made any payments to other State agencies or other funds within your agency, please see the Interfund Payables Closing Package in Section 3.18.)
- o Payroll and fringe benefits payable paid on Batch Type 9 (payroll) or Batch Type 4 (IDT) documents.
- o Debt service payable.
- o Those claims payable that are required to be reported on the Claims Closing Package. Report all other claims payable, however, in the Accounts Payable Closing Package.

The State prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP). GAAP require that the State record liabilities for Accounts Payable, Contract Retentions Payable, and Intergovernmental Payables on its financial statements at June 30. Appropriation Act provisos allowing expenditure of new-year funds for old-year obligations do not release the State from this requirement.

AGENCY ACTION REQUIRED

- o Determine the total expenditures your agency processed on STARS disbursement vouchers (batch type 6 documents) during the fiscal year ended June 30.
  - If these total expenditures were less than \$5 million, stop. Do not complete any Accounts Payable Summary Forms (GAAP Forms 3.12.1 through 3.12.3).
  - If these total expenditures were greater than or equal to \$5 million, proceed with the following instructions.

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- o Read and complete this closing package before you complete the forms in the capital assets closing packages.
- o Determine which items to report on Accounts Payable Summary Forms (GAAP Forms 3.12.1 through 3.12.3) by:
  - Reviewing the decision tree in Exhibit 3.12 (A).
  - Reviewing voucher packets for vouchers paid in STARS FM 01 and FM 02 of the new fiscal year and invoices your agency plans to pay in the new fiscal year. **Exclude from this review vouchers with a total voucher amount of less than \$1,000.**
  - Reviewing contract retentions (See Key Terms) and estimating amounts that your agency plans to pay in the new fiscal year or later. Because construction contracts often span several fiscal years, you will need to estimate those retentions that will be paid within 12 months of the reporting year-end separately from those retentions that will be paid thereafter.
  - Reviewing grant agreements for amounts your agency owed to non-State grantees/subrecipients.
  - Estimating amounts your agency owed vendors at June 30 for which the vendor has not yet issued an invoice. This should include, but not be limited to, estimates of work performed but not billed on permanent improvement projects.
  - Excluding utility and credit card bills if twelve months of payments were made in the old fiscal year. If fewer than twelve months of payments were made, then report Accounts Payable for the additional month(s) needed to bring the total to twelve months.
  - Excluding invoices for service contracts that will be renewed annually. If the contract will not be renewed, prorate the invoice over the benefit period and report the portion used in the old fiscal year on the Accounts Payable Closing Package.
- o Determine whether the above review will identify almost all payables. Do this by reviewing other agency accounting records. Expand the scope of your review as necessary. For example, review a sample of September (and perhaps even October) vouchers from the last fiscal year. If several of these were payables at June 30 of the previous fiscal year, and are consistent with the timing of current year expenditures, you may need to estimate additional payables.

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- o For each GAAP fund listed in Appendix A (subfunds) and Appendix F (permanent improvement projects), complete an Accounts Payable Summary Form (GAAP Forms 3.12.1 through 3.12.3).
- o Return the completed closing package forms to the Comptroller General's Office no later than September 15. If you can return the materials earlier, please do so.
- o Complete the Accounts Payable Closing Package Reviewer Checklist (GAAP Form 3.12.4) before submitting the closing package. Do not submit the completed Checklist to the Comptroller General's Office, but retain it for audit purposes.

KEY TERMS

Accounts Payable. An amount is an Account Payable at June 30 only if your agency:

- o Receives the related goods or services on or before June 30
- o AND pays (or plans to pay) the vendor after June 30.

Appropriation Act provisos allowing expenditure of new-year funds for old-year obligations do not excuse these payments from being reported as Accounts Payable. Accounts Payable include:

- o Amounts that your agency owes on goods and services at June 30.
- o Estimates of amounts that your agency knows it owes on June 30 even if the vendor has not yet issued an invoice. An example would be payments to social service providers. Another example would be work performed but not billed on permanent improvement projects.
- o Grant funds that your agency owed to non-State grantees or subrecipients under grant agreements.

The Comptroller General's Office automatically translates STARS FM 12 transactions posted after June 30 and FM 13 transactions to Accounts Payable because it assumes that the related goods or services were received on or before June 30. Accordingly, agencies should not report these transactions on closing package forms.

Accounts Payable are current liabilities. For this closing package, Accounts Payable involve only payments to non-State vendors. That is, Accounts Payable do not include amounts your agency owes:

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- o To other funds within your agency or to other State agencies in the State's financial reporting entity (see Key Terms and the Interfund Payables Closing Package in Section 3.18).
- o For payroll and employee fringe benefits paid on Batch Type 9 (payroll) or Batch Type 4 (IDT) documents. (See the Compensated Absences Closing Package in Section 3.17 and the Interfund Payables Closing Package in Section 3.18.)
- o On claims required to be reported on the Claims Closing Package (see Section 3.15). You **should** report claims payable on the Accounts Payable Closing Package, however, if they are not required to be reported on the Claims Closing Package.
- o For debt service.

Contract Retentions. On some construction contracts or other long-term projects such as systems projects, your agency may withhold part of each payment from the contractor until the project is complete. The amounts you withhold are Contract Retentions. Determine Contract Retention amounts by reviewing Architect and Engineers Certificates of Payment. Construction contracts often span several fiscal years. Therefore, you may have both current and noncurrent liabilities payable for Contract Retentions. Report Contract Retentions separately from other Accounts Payable.

Current Liability. Current liabilities are liabilities payable within one year of the reporting year-end.

Grant. A grant consists of the transfer of cash or other assets from a governmental entity, such as the State, to either another governmental entity or a private entity for the purpose of sharing program costs, subsidizing other entities, or reallocating resources. Grantors frequently establish eligibility requirements that must be met before grants funds may be accessed.

Intergovernmental Payable. Intergovernmental Payables are payables due to other governmental entities outside the State's financial reporting entity (see definition below).

June 30. Whenever we say June 30, we mean the calendar date June 30. June 30 is not necessarily the same as the end of STARS FM 12. (Some STARS FM 12 transactions and all STARS FM 13 transactions post after June 30.)

Liability. A liability is an obligation resulting from past transactions that will (or is likely to) result in future payments and/or reductions in future revenues.

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Noncurrent Liability. Noncurrent liabilities at June 30 are liabilities that your agency will pay after the next June 30. You may need to report noncurrent liabilities for Contract Retentions Payable.

Old-Year/New-Year July Transactions. During July, agencies may post STARS transactions to both the old fiscal year and the new fiscal year. We refer to STARS FM 12 and FM 13 transactions with posting dates after June 30 as "old-year July transactions." FM 01 transactions are "new-year July transactions."

Pass-Through Grant. To say that grant funds were passed through means that a State agency distributed the grant funds to grant subrecipients (non-State organizations such as municipalities and counties for purposes of this closing package). Grant funds used to pay non-State organizations under fee-for-service contracts (subcontracts) are **not** pass-through grants.

State's Financial Reporting Entity. The State's financial reporting entity, for purposes of this closing package, includes all State agencies that use the STARS accounting system as well as the following non-STARS agencies:

- o Connector 2000 Association, Inc.
- o Department of Commerce, Division of Public Railways.
- o Department of Commerce, Division of Savannah Valley Development.
- o Education Assistance Authority.
- o Governor's School for the Arts Foundation.
- o Jobs-Economic Development Authority.
- o Lottery Commission.
- o Ports Authority.
- o Public Service Authority (Santee-Cooper).
- o Savannah Lakes Regional Loan Fund.
- o Teacher Loan Program of the South Carolina Student Loan Corporation.

The Accounts Payable Closing Package does not apply to payments your agency makes to agencies that are part of the State's financial reporting entity. The Interfund Payables Closing Package at Section 3.18, however, may apply to these payments.

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Voucher Packet. We use the term "voucher packet" to describe the documents your agency files whenever it processes a STARS voucher. A voucher packet for a vendor payment should include:

- o A copy of the completed STARS voucher.
- o A vendor invoice.
- o A receiving report or other indication of when the agency received the goods or services.
- o Any other related documents.

#### ACCOUNTING PRINCIPLES AND POLICIES

The State will record Accounts Payable, Contract Retentions Payable, and Intergovernmental Payables at June 30 in individual GAAP funds.

GAAP requires that different fund types report their expenditures or expenses in different categories. (See Governmental Accounting Standards Board (GASB) Codification Sections 1800.116-1800.125.) The accounting entries to record payables also affect expenditures or expenses. This is why there are different versions of each Form in this closing package for:

- o Governmental Funds.
- o Enterprise, Internal Service, and Trust Funds.
- o Agency Funds.

MOST OLD-YEAR JULY EXPENDITURE/EXPENSE TRANSACTIONS IN STARS REPRESENT ACCOUNTS PAYABLE. THEREFORE, THE COMPTROLLER GENERAL'S OFFICE WILL INITIALLY RECORD ALL OF THESE TRANSACTIONS AS ACCOUNTS PAYABLE.

For some of these transactions, however, the State may not receive the related goods/services until after June 30. These are outstanding encumbrances at June 30. GAAP states: "Encumbrances outstanding at year-end do not constitute expenditures or liabilities." (See GASB Codification Sections 1600.128 and 1800.139.) The Comptroller General's Office, therefore, will reverse both the expenditures/expenses and the related Accounts Payable for those cases identified from Question #20 of the Closing Package Control Checklist.

Agencies need not record encumbrances during the year. State law currently does not require encumbrance accounting, and most agencies do not use it.

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See Sections 1600.116-1600.127 of the GASB Codification for further information on rules for expenditure recognition. These rules require that agencies carefully document the date when they receive goods or services. Invoices do not always indicate delivery dates. Agencies should complete a "Receiving Report" or otherwise document the date they receive goods or services.

#### Payments to Grant Recipients/Subrecipients

GAAP establish specific recognition criteria for expenditures, expenses, and payables related to amounts due to grant recipients and/or subrecipients. Use the following guidelines to determine when to record an expenditure or expense and a related payable:

##### o *Governmental Funds.*

- Recognize expenditures when the grant recipient/sub-recipient has met all applicable grant eligibility requirements.
- Record payables at June 30 if, at that date:
  - \* The grant recipient/subrecipient has met all applicable grant eligibility requirements.
  - \* Your agency has not yet disbursed the related cash to the grant recipient/subrecipient.

##### o *Enterprise, Internal Service, and Trust Funds.*

- Recognize expenses when the grant recipient/sub-recipient has met all applicable grant eligibility requirements.
- Record payables at June 30 if, at that date:
  - \* The grant recipient/subrecipient has met all applicable grant eligibility requirements.
  - \* Your agency has not yet disbursed the related cash to the grant recipient/subrecipient.

##### o *Agency Funds.*

Record payables at June 30 if, at that date:

- The grant recipient/subrecipient has met all applicable eligibility requirements.
- Your agency has not yet disbursed the related cash to the grant recipient/subrecipient.

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(Refer to the Grant/Contribution Revenues Closing Package in Section 3.3 of this manual for definitions of eligibility requirements.)

The Comptroller General has determined that all Federal grants and all State grants to other entities include the reimbursement eligibility requirement. That is, for purposes of this closing package, all Federal and State grants are considered to be reimbursement-basis grants. Therefore, in order to report an Accounts Payable to a grantee or grant subrecipient, the grant recipient or subrecipient must have incurred costs as of June 30 (in addition to meeting any other eligibility requirements).

#### WORKING PAPERS

All working papers may be subject to audit. The agency should keep:

- o Copies of the completed closing package forms.
- o Working papers that support each figure on the completed forms.

The working papers also should include:

- o A list of the voucher packets and other documents you reviewed. The list should indicate whether you reported each voucher or invoice amount:
  - On an Accounts Payable Summary Form (GAAP Forms 3.12.1 through 3.12.3).
  - Or not at all.
- o Copies of the voucher packets and documents themselves.
- o A description of the review steps you applied to each voucher packet. These steps should include a review of:
  - The voucher payment date (or planned invoice payment date).
  - The date the agency received the goods or services.
- o Descriptions of methods used to estimate amounts (if any).

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GENERAL INSTRUCTIONS--ACCOUNTS PAYABLE SUMMARY FORMS (GAAP FORMS 3.12.1 THROUGH 3.12.3)

- o Determine which items to report on Accounts Payable Summary Forms (GAAP Forms 3.12.1 through 3.12.3) by:
  - Reviewing the decision tree in Exhibit 3.12 (A).
  - Reviewing voucher packets for vouchers paid in STARS FM 01 and FM 02 of the new fiscal year and invoices your agency plans to pay in the new fiscal year. **Exclude from this review any vouchers with a total voucher amount of less than \$1,000.** (NOTE: If all vouchers for a particular GAAP Fund are less than \$1,000, complete an Accounts Payable Summary Form for that GAAP Fund, entering zero for all amounts. This is needed for audit purposes.)
  - Reviewing contract retentions (See Key Terms) and estimating amounts that your agency plans to pay in the new fiscal year or later. Because construction contracts often span several fiscal years, you will need to estimate those retentions that will be paid within 12 months of the reporting year-end separately from those retentions that will be paid thereafter.
  - Reviewing grant agreements for amounts owed to non-State grantees/subrecipients.
  - Estimating amounts your agency owed vendors at June 30 for which the vendor has not yet issued an invoice. This should include, but not be limited to, estimates of work performed but not billed on permanent improvement projects.
  - Excluding utility and credit card bills if twelve months of payments were made in the old fiscal year. If fewer than twelve months of payments were made, then report Accounts Payable for the additional month(s) needed to bring the total to twelve months.
  - Excluding invoices for service contracts that will be renewed annually. If the contract will not be renewed, prorate the invoice over the benefit period and report the portion used in the old fiscal year on the Accounts Payable Closing Package.
- o Determine whether the above review will identify almost all payables. Do this by reviewing other agency accounting records. Expand the scope of your review if necessary. For example, review

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a sample of September (and perhaps even October) vouchers of the last fiscal year. If several of these were payables at June 30 of the previous fiscal year, and are consistent with the timing of current year expenditures, you may need to estimate additional payables.

- o Complete the Accounts Payable Summary Forms (GAAP Forms 3.12.1 through 3.12.3). There are three versions of the form:
  - Accounts Payable Summary Form--Governmental Fund (GAAP Form 3.12.1).
    - \* Governmental Funds have GAAP fund codes x001-x074 and 3700. (See Appendixes A and F.)
    - \* Complete a separate Form for each of your agency's Governmental Funds. Make as many copies as necessary of the blank Form.
    - \* If all vouchers for a particular Governmental Fund are less than \$1,000, complete an Accounts Payable Summary Form--Governmental Fund for that GAAP Fund, entering zero for all amounts. This is needed for audit purposes.
    - \* Exhibit 3.12 (B) shows a sample completed Accounts Payable Summary Form--Governmental Fund (GAAP Form 3.12.1). Detailed instructions for completing this version of the Form follow the Exhibit.
  - Accounts Payable Summary Form--Enterprise, Internal Service, or Trust Fund (GAAP Form 3.12.2).
    - \* Enterprise Funds have GAAP fund codes x075-x099, Internal Service Funds have GAAP fund codes x100-x149, and Trust Funds have GAAP fund codes x155-x175. (See Appendixes A and F.)
    - \* Complete a separate Form for each of your agency's Enterprise, Internal Service, and Trust Funds. Make as many copies as necessary of the blank Form.
    - \* If all vouchers for a particular Enterprise, Internal Service, or Trust Fund are less than \$1,000, complete an Accounts Payable Summary Form--Enterprise, Internal Service, or Trust Fund for that GAAP Fund, entering zero for all amounts. This is needed for audit purposes.

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\* Exhibit 3.12 (C) shows a sample completed Accounts Payable Summary Form--Enterprise, Internal Service, or Trust Fund (GAAP Form 3.12.2). Detailed instructions for completing this version of the Form follow the Exhibit.

-- Accounts Payable Summary Form--Agency Fund (GAAP Form 3.12.3).

\* Agency Funds have GAAP fund codes x250-x269. (See Appendix A.)

\* Complete a separate copy of the Form for each of your agency's Agency Funds. Make as many copies as necessary of the blank Form.

\* If all vouchers for a particular GAAP Fund are less than \$1,000, complete an Accounts Payable Summary Form--Agency Fund for that GAAP Fund, entering zero for all amounts. This is needed for audit purposes.

\* Exhibit 3.12 (D) shows a sample completed Accounts Payable Summary Form--Agency Fund (GAAP Form 3.12.3). Detailed instructions for completing this version of the Form follow the Exhibit.

Each version of the Form requires you to summarize and report your payable amounts differently.

o Please complete a Form for each GAAP fund even if all amounts are zero. By doing this you certify that your review for payables included all funds. The Comptroller General's Office needs this certification for audit purposes.

o The Forms will show the amount of payables at June 30 that you paid or plan to pay in the new STARS fiscal year (FM 01, FM 02, and beyond). Do not report the following payables on these Forms:

-- Those you charged to old fiscal year STARS accounts (FM 13 and the last few days of FM 12).

-- Those involving other State agencies or other subfunds within your own agency.

-- Payroll and related items paid on Batch Type 9 (payroll) or Batch Type 4 (IDT) documents.

-- Employer contributions.

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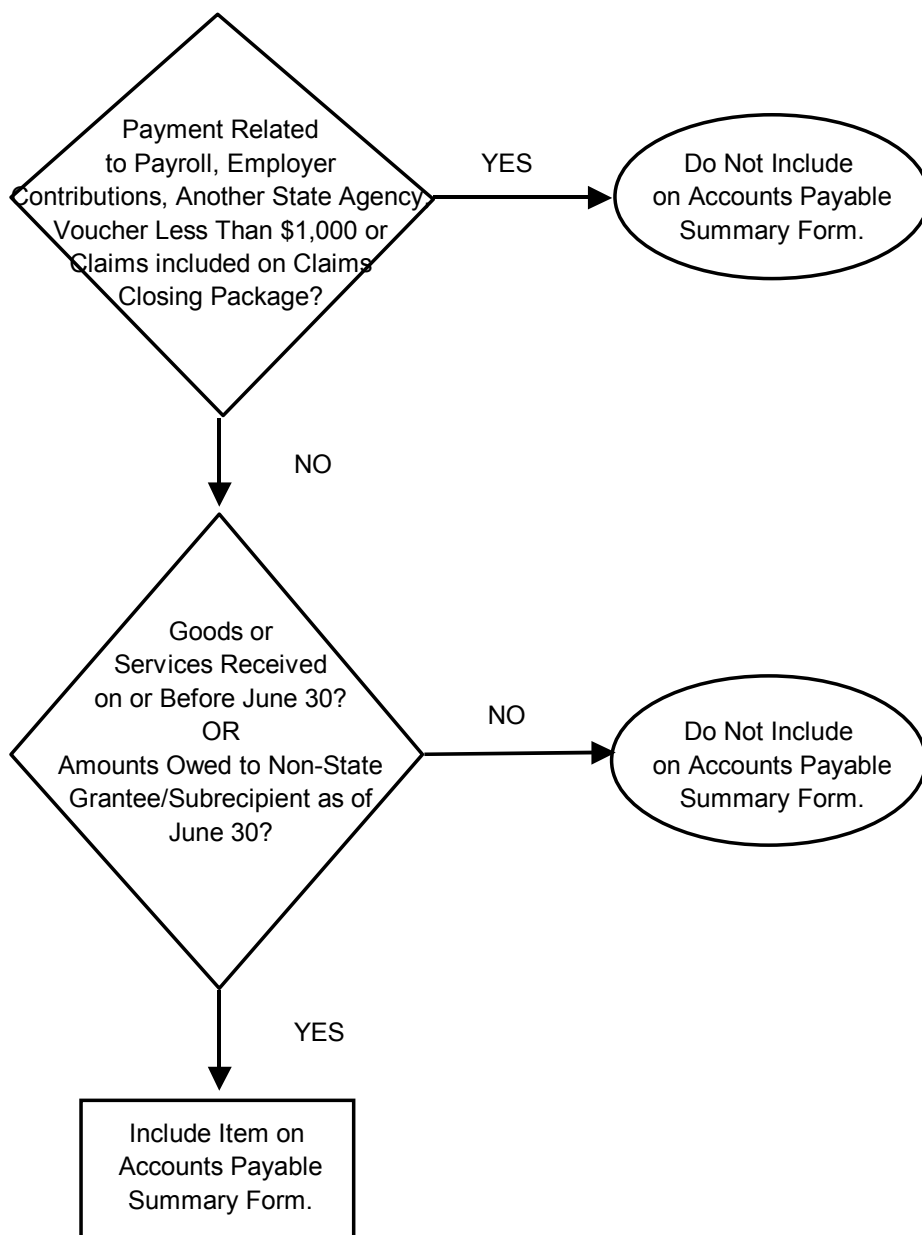
- Those claims payable that are required to be reported on the Claims Closing Package. All *other* claims payable, however, should be reported in the Accounts Payable Closing Package.
  - Utility and credit card bills if twelve months of payments were made in the old fiscal year. If fewer than twelve months of payments were made, then report Accounts Payable for the additional month(s) needed to bring the total to twelve months.
  - Invoices for service contracts that will be renewed annually. If the contract will not be renewed, prorate the invoice over the benefit period and report the portion used in the old fiscal year on the Accounts Payable Closing package.
- o Round all dollar amounts to the nearest whole dollar.
  - o Return the completed Accounts Payable Summary Forms (GAAP Forms 3.12.1 through 3.12.3) to the Comptroller General's Office no later than September 15. If you can return them earlier, please do so.
  - o The person who prepares the Accounts Payable Summary Forms (GAAP Forms 3.12.1 through 3.12.3) should keep a copy. The Comptroller General's Office will call this person if there are questions.

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EXHIBIT 3.12 (A)

STATE OF SOUTH CAROLINA  
ACCOUNTS PAYABLE DECISION TREE

NOTE: The logic in this decision tree should be applied to new year vouchers (FM 01 and FM 02) and other items which will be paid later in the new year. This decision tree will assist you in determining if each item represents an accounts payable at June 30 and should be included on one of the Accounts Payable Summary Forms.



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EXHIBIT 3.12 (B)

STATE OF SOUTH CAROLINA  
ACCOUNTS PAYABLE SUMMARY FORM  
GOVERNMENTAL FUND  
At June 30, 2002

| Agency:  | <u>A99</u><br>Code   | <u>Sample Agency</u><br>Name           |   |
|--|--|--|---|
| Prepared:  | <u>09/02/2002</u><br>Date  | By <u>J.P. Junior</u><br>Employee Name | Title <u>Accountant I</u> Phone <u>734-1234</u>       |
| Approved:  | <u>09/04/2002</u><br>Date  | By <u>I.M. Senior</u><br>Employee Name | Title <u>Dir. of Accounting</u> Phone <u>734-2345</u> |
| GAAP Fund Code: <u>1001</u> GAAP Fund Name: <u>General Fund - General</u>                                      |  |  |   |
| GAAP<br>Account Code   | GAAP Expenditure Category (Code)   | Dollar Amount of<br>Accounts Payable   |   |
| <u>Fund &amp; Gov't-wide</u><br>2-xxxx-0-____*<br>0-xxxx-0-2010  | Current expenditures   | \$ <u>55,498</u>                       |   |
| <u>Fund</u><br>2-xxxx-0-____*<br>0-xxxx-0-2010<br><br><u>Government-wide</u><br>2-xxxx-0-9000<br>0-xxxx-0-2010 | Capitalizable equipment and capital outlay<br><br><b>NOTE:</b> Report non-capitalizable equipment and construction costs related to non-capitalizable permanent improvement projects on the "Current expenditures" line. | \$ <u>10,000</u>                       |   |
| <u>Fund</u><br>2-xxxx-0-____*<br>0-xxxx-0-2035<br><u>Government-wide</u><br>2-xxxx-0-9000<br>0-xxxx-0-2035     | Contract retentions on <u>capitalizable</u> permanent improvement projects:<br><br>Amount expected to be paid within 12 months of reporting year end   | \$ <u>16,594</u>                       |   |
| <u>Government-wide</u><br>2-xxxx-0-9000<br>0-xxxx-0-2036   | Amount expected to be paid thereafter  | \$ <u>10,557</u>                       |   |
| <u>Fund &amp; Gov't-wide</u><br>2-xxxx-0-____*<br>0-xxxx-0-2035  | Contract retentions on <u>non-capitalizable</u> permanent improvement projects:<br><br>Amount expected to be paid within 12 months of reporting year end   | \$ <u>12,542</u>                       |   |
| <u>Government-wide</u><br>2-xxxx-0-____*<br>0-xxxx-0-2036  | Amount expected to be paid thereafter  | \$ <u>0</u>                            |   |
| <u>Fund &amp; Gov't-wide</u><br>2-xxxx-0-1110<br>0-xxxx-0-2011   | Intergovernmental expenditures   | \$ <u>35,542</u>                       |   |
| <u>Fund &amp; Gov't-wide</u><br>2-xxxx-0-9040<br>0-xxxx-0-2010   | Student loans  | \$ <u>0</u>                            |   |

\* For fund statements only, if GAAP Fund is x060, function code is 1080 regardless of agency code.

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COMPLETING THE ACCOUNTS PAYABLE SUMMARY FORM—GOVERNMENTAL FUND (GAAP FORM 3.12.1)

REF

EXPLANATION

Note: Governmental Funds have GAAP fund codes x001-x074 and 3700. (See Appendixes A and F. Appendix F lists permanent improvement projects. Permanent improvement projects have STARS project numbers 6000 or above.)

- (1) Enter the fiscal year for which this Form applies.
- (2) Enter the agency name and three-character STARS agency code.
- (3) Complete all information regarding preparation of this Form. The Finance Director or Executive Director should approve the Form before sending it to the Comptroller General's Office.
- (4) Enter the four-digit GAAP fund code. (See Appendixes A and F.)
- (5) Enter the name of the GAAP fund. (See Appendixes A and F.)
- (6) GAAP Account Code column is for CG Office use. You do not need to fill in blank accounts.
- (7) Enter the total Accounts Payable for each category of expenditure described on the Form. (See Appendix C.)

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| <p>GAAP CLOSING PROCEDURES MANUAL</p> |  |  |
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STATE OF SOUTH CAROLINA  
ACCOUNTS PAYABLE SUMMARY FORM  
ENTERPRISE, INTERNAL SERVICE, OR TRUST FUND  
At June 30, 2002

| Agency:                 | <u>A99</u>                                 | <u>Sample Agency</u>                          |                                 |                       |  |
|-------------------------|--|---|---------------------------------|-----------------------|--|
|                         | Code                                       | Name  |                                 |                       |  |
| Prepared:               | <u>09/02/2002</u>                          | By <u>J.P. Junior</u>                         | Title <u>Accountant I</u>       | Phone <u>734-1234</u> |  |
|                         | Date                                       | Employee Name                                 |                                 |                       |  |
| Approved:               | <u>09/04/2002</u>                          | By <u>I.M. Senior</u>                         | Title <u>Dir. of Accounting</u> | Phone <u>734-2345</u> |  |
|                         | Date                                       | Employee Name                                 |                                 |                       |  |
|                         |  |   |                                 |                       |  |
| GAAP Fund Code:         | <u>2107</u>                                | GAAP Fund Name: <u>Motor Pool - Earmarked</u> |                                 |                       |  |
|                         |  |   |                                 |                       |  |
| GAAP Account Code       | GAAP Expenditure Category (Code)           | Dollar Amount of<br>Accounts Payable          |                                 |                       |  |
| <u>Fund</u>             |  |   |                                 |                       |  |
| 2-xxxx-0-2010           | Personal services                          | \$ <u>2,506</u>                               |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2030           | Contractual services                       | \$ <u>3,692</u>                               |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2032           | Supplies                                   | \$ <u>4,889</u>                               |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2033           | Non-Capital Equip, Vehicles, Art/Treasures | \$ <u>1,569</u>                               |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2034           | Fixed charges                              | \$ <u>1,253</u>                               |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2036           | Utilities                                  | \$ <u>1,507</u>                               |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2039           | Other operating expense                    | \$ <u>10,852</u>                              |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2040           | Purchases                                  | \$ <u>5,447</u>                               |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2059           | Distribution to participants               | \$ <u>0</u>                                   |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2075           | Interest expense                           | \$ <u>0</u>                                   |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| 2-xxxx-0-2080           | Non-operating expense                      | \$ <u>0</u>                                   |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |
| <u>Gov't-wide</u>       |  |   |                                 |                       |  |
| 2-xxxx-0- <u>    </u> * | Total                                      | \$ <u><u>31,715</u></u>                       |                                 |                       |  |
| 0-xxxx-0-2010           |  |   |                                 |                       |  |

\* NOTE: Use 2000 for Enterprise and function code for Internal Service. Trust not reported on Government-wide.

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ENTERPRISE, INTERNAL SERVICE, OR TRUST FUND  
At June 30, 2002

| Agency: <u>A99</u> <u>Sample Agency</u><br>Code Name   |   |                                   |
|--|---|-----------------------------------|
| GAAP Fund Code: <u>2107</u> GAAP Fund Name: <u>Motor Pool - Earmarked</u>                                      |   |                                   |
| GAAP Account Code  | GAAP Expenditure Category (Code)  | Dollar Amount of Accounts Payable |
| <u>Fund/Gov't-wide</u><br>2-xxxx-0-9000<br>0-xxxx-0-2010   | Capitalizable equipment and capital outlay**<br><br><b>NOTE:</b> Report non-capitalizable 06xx expenditures on the "Non-Capital Equip, Vehicles, Art/Treasures" line.<br>Report non-capitalizable 07xx expenditures on the "Contractual services" line. | \$ <u>0</u>                       |
| <u>Fund/Gov't-wide</u><br>2-xxxx-0-9000<br>0-xxxx-0-2035   | Contract retentions on <u>capitalizable</u> permanent improvement projects:<br><br>Amounts expected to be paid within 12 months of reporting year end   | \$ <u>5,449</u>                   |
| <u>Fund/Gov't-wide</u><br>2-xxxx-0-9000<br>0-xxxx-0-2036   | Amounts expected to be paid thereafter  | \$ <u>22,543</u>                  |
| <u>Fund</u><br>2-xxxx-0-2030<br>0-xxxx-0-2035<br><br><u>Gov't-wide</u><br>2-xxxx-0- *<br>0-xxxx-0-2035         | Contract retentions on <u>non-capitalizable</u> permanent improvement projects:<br><br>Amounts expected to be paid within 12 months of reporting year end   | \$ <u>8,775</u>                   |
| <u>Fund</u><br>2-xxxx-0-2030<br>0-xxxx-0-2036<br><br><u>Gov't-wide</u><br>2-xxxx-0- *<br>0-xxxx-0-2036         | Amounts expected to be paid thereafter  | \$ <u>9,634</u>                   |
| <u>Fund/Gov't-wide</u><br>2-xxxx-0-9040<br>0-xxxx-0-2010   | Student loans   | \$ <u>0</u>                       |
| * NOTE: Use 2000 for Enterprise and function code for Internal Service. Trust not reported on Government-wide. |   |                                   |

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COMPLETING THE ACCOUNTS PAYABLE SUMMARY FORM--ENTERPRISE, INTERNAL  
SERVICE, OR TRUST FUND (GAAP FORM 3.12.2)

REF

EXPLANATION

Note: Enterprise Funds have GAAP fund codes x075-x099, Internal Service Funds have GAAP fund codes x100-x149, and Trust Funds have GAAP fund codes x155-x175. (See Appendixes A and F.)

- (1) Enter the fiscal year for which this Form applies.
- (2) Enter the agency name and three-character STARS agency code.
- (3) Complete all information regarding preparation of this Form. The Finance Director or Executive Director should approve the Form before sending it to the Comptroller General's Office.
- (4) Enter the four-digit GAAP fund code. (See Appendixes A and F.)
- (5) Enter the name of the GAAP fund. (See Appendixes A and F.)
- (6) GAAP Account Code columns are for CG Office use. You do not need to fill in blank accounts.
- (7) Enter the total Accounts Payable for each category of expenditure described on the Form. (See Appendix D.)

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STATE OF SOUTH CAROLINA  
ACCOUNTS PAYABLE SUMMARY FORM  
AGENCY FUND  
At June 30, 2002

EXHIBIT 3.12 (D)

|  |                                    |   |
|--|------------------------------------|---|
| Agency: <u>A99</u>   | <u>Sample Agency</u>               |   |
| Code   | Name                               |   |
| Prepared: <u>9/2/2002</u>  | By <u>J.P. Junior</u>              | Title <u>Accountant I</u> Phone <u>734-1234</u>       |
| Date   | Employee Name                      |   |
| Approved: <u>9/4/2002</u>  | By <u>I.M. Senior</u>              | Title <u>Dir. of Accounting</u> Phone <u>734-2345</u> |
| Date   | Employee Name                      |   |
| GAAP Fund Code: <u>7250</u> GAAP Fund Name: <u>Payroll Clearing - Unbudgeted</u> |                                    |   |
| GAAP<br>Account<br>Code  | GAAP Expenditure Category (Code)   | Dollar Amount of<br>Accounts Payable                  |
| <u>Fund</u><br>0-xxxx-0-2100<br>0-xxxx-0-2010                                    | Amounts held in custody for others | \$ <u>4,692</u>                                       |

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COMPLETING THE ACCOUNTS PAYABLE SUMMARY FORM--AGENCY FUND (GAAP  
FORM 3.12.3)

| REF  | EXPLANATION  |
|--|--|
| Note: Agency Funds have GAAP fund codes x250-x269. (See Appendix A.) |  |
| (1)  | Enter the fiscal year for which this Form applies.   |
| (2)  | Enter the agency name and three-character STARS agency code.   |
| (3)  | Complete all information regarding preparation of this Form. The Finance Director or Executive Director should approve the Form before sending it to the Comptroller General's Office. |
| (4)  | Enter the four-digit GAAP fund code. (See Appendix A.)   |
| (5)  | Enter the name of the GAAP fund. (See Appendix A.)   |
| (6)  | Enter the total Accounts Payable for this GAAP fund.   |

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GENERAL INSTRUCTIONS--ACCOUNTS PAYABLE CLOSING PACKAGE, REVIEWER  
CHECKLIST (GAAP FORM 3.12.4)

- o The purpose of the Reviewer Checklist is to help your agency perform an effective review of the completed closing package forms **before** you submit them to the Comptroller General's Office. An effective review is essential to minimizing closing package errors. As such, it is an important internal control. **Completion of this Checklist is required.**
- o Retain the completed Checklist for audit along with your other working papers; **do not** return it to the Comptroller General's Office.
- o Your agency's Finance Director, Executive Director, or another reviewer should complete the Reviewer Checklist. The reviewer **must** be someone other than the preparer.
- o Each question on the Reviewer Checklist is designed so that a "No" answer indicates a potential problem. Generally, when the reviewer responds "No," he/she should return the closing package form to the preparer to be corrected and resubmitted. If you believe that a "No" answer to a particular question is unavoidable or acceptable in your unique situation, however, attach an explanation to the completed Checklist and retain it with the completed Checklist.
- o This Checklist is not all-inclusive. It is designed only to detect the most frequent types of errors. It may not identify all possible errors.
- o Exhibit 3.12(E) shows a sample completed two-page Reviewer Checklist (GAAP Form 3.12.4).

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ACCOUNTS PAYABLE CLOSING PACKAGE  
REVIEWER CHECKLIST

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FISCAL YEAR 2002

| Reviewer's Signature:   | <i>I. M. Senior</i>      |            |
|---|--------------------------|------------|
| Date Last Review Step Was Completed:  | <i>September 4, 2002</i> |            |
| REVIEW STEP   |                          | YES/NO     |
| Is the reviewer of the Accounts Payable Summary Forms someone other than the person who prepared them?  |                          | <i>Yes</i> |
| Did the preparer and reviewer <i>sign</i> the Accounts Payable Summary Forms (not just type or rubber-stamp their names)?   |                          | <i>Yes</i> |
| Did the preparer and reviewer show their titles and telephone numbers?  |                          | <i>Yes</i> |
| Can all amounts reported on the Accounts Payable Summary Forms be traced back to official agency accounting records or to working papers?   |                          | <i>Yes</i> |
| Do the completed closing package forms reflect implementation of all changes in closing package instructions for this year, if any, that apply to your agency?  |                          | <i>Yes</i> |
| Are differences between the closing package amounts reported in the current-year and those reported last year either (1) small or (2) explained (as to reasons) in working papers retained for audit purposes?  |                          | <i>Yes</i> |
| Did the review described in the "Agency Action Required" section of the closing package instructions include: (a) all <b>FM01 and FM02</b> vouchers of \$1,000 or more and (b) all invoices of \$1,000 or more that your agency <u>plans</u> to pay in the new fiscal year, regardless of whether your agency has an Appropriation Act proviso allowing expenditure of new-year funds for old-year obligations? |                          | <i>Yes</i> |
| Did the review described in the "Agency Action Required" section of the closing package instructions include any contract retentions and/or estimates of amounts owed to vendors at June 30 for which invoices had not been received at June 30?  |                          | <i>Yes</i> |
| Did the review described in the "Agency Action Required" section of the closing package instructions include amounts your agency owed to non-State grantees/subrecipients at June 30?   |                          | <i>Yes</i> |
| Did the scope of the review for payables appear adequate?   |                          | <i>Yes</i> |
| Is there a Form for each GAAP Fund Code listed in Appendixes A-2 (subfunds) and F-2 (permanent improvement projects)? (NOTE: Forms for funds with no payables should be submitted with zeros.)  |                          | <i>Yes</i> |

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REVIEWER CHECKLIST  
FISCAL YEAR 2002

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| REVIEW STEP  | YES/NO     |
|--|------------|
| For each Form, does the GAAP Fund Code correspond to the GAAP Fund Name?   | <i>Yes</i> |
| If your agency had utility and/or credit card bills, were there <u>twelve</u> months of payments in the old fiscal year? If so, were additional payments or accruals excluded from the Accounts Payable liability? | <i>Yes</i> |
| Does each voucher reported on an Accounts Payable Summary Form have a payment date in STARS FM01 or FM02 or later <u>and</u> a receipt date on or before June 30?  | <i>Yes</i> |
| Do all estimates, if any, appear to be reasonable and valid?   | <i>Yes</i> |
| Were vouchers charged to FM12 and FM13 excluded from the payables liability?   | <i>Yes</i> |
| Were vouchers involving other State agencies or other subfunds within your agency excluded from the payables liability?  | <i>Yes</i> |
| Were payroll and other related items (batch type 9 and related batch type 4 documents) excluded from the payables liability?   | <i>Yes</i> |
| Were employer contributions excluded from the payables liability?  | <i>Yes</i> |
| Were Claims Payable that are required to be reported on the Claims Closing Package excluded from the payables liability?   | <i>Yes</i> |