



Issue Summary	USG will utilize adjustment period(s) for posting year-end adjustments to account balances and auditor adjustments.
Background	<p>The Accounting Issues Committee needs to assess the viability of using period 998 to capture adjusting journal entries at year-end. Having an adjustment period would allow institutions to segregate entries required at year-end from traditional journal entries</p> <p>In order to implement the new functionality, a number of system changes and enhancements will be required. These include:</p> <ul style="list-style-type: none"> • Updating nVision timespans to include adjustment periods • Revising BOR custom reports to include adjustment periods are included • Revisiting the hard close customization • Reviewing / Revising model and institution specific query criteria • Modifying iStrategy & FDM extracts <p>In addition to the technical modifications, change management will be critical to ensuring a successful deployment.</p> <p>Business processes will have to be revised to address the proper usage of the adjustment periods. Year-end manuals and check lists will have to be updated. Finally, end-users will require training on using the adjustment period functionality.</p> <p>With any change with this large of scope – significant time needs to be dedicated to planning the change and allowing for adequate testing.</p>
Risks	<ol style="list-style-type: none"> 1. If a report is missed, the financial statements could be inaccurate 2. Adjustment period could be adopted but not used in an uniform manner 3. Reports and queries could produce inconsistent results
Possible Solution(s)	<ol style="list-style-type: none"> 1. Implement adjustment period 997 for year-end adjustments 2. Implement adjustment period 998 for auditor adjustments 3. Implement adjustment period 998 for year-end and auditor adjustments 4. Do not implement adjustment periods
Escalating Sub-team and Lead	Fiscal Affairs – Vikki Williamson and Craig Golden

Accounting Issues Committee – Adjustment Periods



Recommended Action	AIC should implement the adjustment period functionality. In FY11, Auditor adjustments should be segregated from year-end adjustments – therefore, 1 and 2 are the recommended solutions.
Accounting Issues Committee Comments	<p>The AIC decided to move forward with the implementation of period 998 for auditor adjustments. They also decided they wanted to segregate year end closing entries from other online entries. Therefore, a separate journal source (CLO) will be created and utilized for FY2011.</p> <p>Vikki Williamson will meet with the auditors to communicate the procedure change. Phil Raymondo will revise the year end close manual to include instructions to use CLO as the journal source on year end entries.</p> <p>Change Request 10103 has been submitted to ITS to catalog the year end documentation changes</p> <p>Change Request 10105 has been submitted to ITS to catalog the changes that will be required to the year end reports</p>