

Reading the Accruals Report

What is the Accruals Report?

The Accruals Report is run at the end of each fiscal quarter, and will be the first step in USAID's process of recording accruals into Phoenix. This accrual information will be used for USAID's financial statements and for the forthcoming Phoenix Pipeline Report.

The Accruals Report gathers Obligation and Contract information from Phoenix and A&A, and uses this data to calculate Estimated Accrual amounts. Each line of the report represents either an Obligation line item or a Contract funding strip.

What's Special About Contract Accruals?

A Contract is an overall agreement to purchase goods or services from a vendor. An Obligation is a specific funding action underneath that overall Contract. Accruals are calculated at the Contract level when possible. Purchase Orders (PO) and Grant Order (GO) obligations will always be bundled into contracts in this report.

The following rules apply to Contract accruals:

- All items in a Contract use the Contract's Start and End Dates.
- Estimated Accrual amounts are first calculated for the entire Contract, then split among the line items.
- Contract lines will have a "Contract Number," but the "Obligation Number" will always say "Summarized."
- Individual items under a Contract are grouped together by funding strip. This means that some of the "Summarized" line items represent single PO or GO line items, while others represent two or more lines grouped together.
- If a Contract has at least one open Obligation line, all lines in the Contract are shown in the report.
- Contract items that are fully liquidated are marked with a **C** in the "Status" field.

What's Special About Obligation Accruals?

Often there is no overall Contract, only a single funding action. When there is no A&A Contract*, the Accruals Report shows the actual Phoenix Obligation line items. Accruals are calculated at the Obligation level for any Obligation other than Purchase Orders and Grant Orders (Delivery Orders, Travel Authorizations, Miscellaneous Obligations, Credit Card Obligations, etc.)

The following rules apply to Obligation accruals:

- Each Obligation line on the report corresponds to a Phoenix Obligation line item.
- Obligations use the Period of Performance Start & End Dates from the Phoenix Obligation.
- Obligation lines never have Contract Numbers. The "Obligation Number" field shows the number of the Phoenix Obligation.
- If an Obligation has at least one open line, all lines in the Obligation are shown.
- Obligation items that are fully liquidated are marked with a **C** in the "Status" field.

* Although they are A&A documents, Delivery Orders are also treated like individual obligations

What is the Estimated Accrual Amount?

The Estimated Accrual Amount is calculated based on the Obligated Amount, the Vouchered Amount, the Period of Performance Start and End Dates, and the date the Accruals Report is run. The following formula is used to calculate the Estimated Accrual Amount:

$$\text{Accrual} = [\text{Obligated} * (\text{Expired Months}/\text{Total Months})] - \text{Vouchered}$$

In addition:

- If the period of performance ends after the accrual date, the accrual amount is calculated using this formula.
- If the period of performance ended less than 90 days before the accrual date, the accrual amount is equal to the unliquidated amount.
- If the period of performance ended more than 90 days before the accrual date, the accrual amount is \$0.00.

The following figure shows an example of an accrual amount calculation.

Figure 1 *Accrual Calculation Example*

Line Item

Obligated Amount: **\$100,000**
Vouchered Amount: **\$50,000**
Period of Performance: **10/01/99 - 09/30/02**
Accrual Date: **03/31/2001**

Calculations

Expired Months: **17.5**
Total Months: **34.8**
Estimated Expended = **Obligated Amt * (Expired Mo./ Total Mo.)**
 = **\$100,000 * (17.5/34.8)**
Estimated Accrual = **\$50,290 - \$50,000**
 = **\$290**

- In this example, the total obligated amount of this line item is \$100,000, and \$50,000 of it has been vouchered.
- The Accruals Report is run on March 31, 2001. At that time, a little over half of the Obligation's Period of Performance has expired.
- The estimated expended amount is \$50,290 - a little over half of the total Obligation amount. But \$50,000 of this Obligation has already been vouchered, leaving only \$290 as the estimated accrual amount.

NOTE: Remember that an accrual is an *estimate*. Do not assume that carrying it out to nth decimal point makes it more accurate. Rounding the number of months (17.5 to 18 and 34.8 to 35) would have resulted in an estimated accrual of \$1,428. Which is more correct since *both are estimates*? They are *both good estimates*.

You need to be consistent in any rounding procedures you might choose to use and please apply common sense when it comes to the level of artificial accuracy injected into the process through the use of decimal point expansion.

Report Fields

The following table describes the fields shown in the accrual report:

Field	Description
CTO Office	<p>The CTO Office field contains either a bureau or office.</p> <ul style="list-style-type: none"> • If a Contract was attached to a CTO in the A&A system, this report shows the CTO's bureau or office. • If the Contract or Obligation could not be connected to an operating unit through A&A, it is assigned a bureau or office based on the first three letters of the Obligation number. • Contracts and obligations with unknown owners are assigned to M/FM.
Contract Number	Used for Purchase Order (PO) and Grant Order (GO) documents. The number of the blanket Contract associated with one or more PO and/or GOs
Obligation Number	<p>Used for a non-Purchase Order and Grant Order documents. The Phoenix Obligation number.</p> <p>This field will always say "Summarized" for POs and GOs. PO and GO line items are summarized by funding strip. Each line item may represent one or more Phoenix or A&A line items.</p>
CTO	Populated with either a CTO name from the A&A system or the name in the "Name" field on a Phoenix Obligation document.
Vendor Name	The name of the vendor on the Contract or Obligation.
Line	<p>The Obligation Line Number for non-Purchase Order and Grant Order documents.</p> <p>Contract line numbers (CLINs) are not included in this report.</p>
Document Type	Populated with the document type from the referenced Obligation or, in the case of a Contract, the Obligation with the latest original document date.
Funding Strip Information	Several fields are taken from the Contract / Obligation item funding strips. This funding strip is a combination of several different elements (e.g. Fund, Operating Unit, Strategic Objective). The funding strip indicates where the money for the item came from.
BBFY	The Beginning Budget Fiscal Year of the line item's fund.
EBFY	The Ending Budget Fiscal Year of the line item's fund.
Fund	The Fund code of the line item.
Operating Unit	The Operating Unit on the line item's funding strip
Strategic Objective	The Strategic Objective on the line item's funding strip
Distribution	The Distribution code on the item's funding strip.
Management	The Management code on the item's funding strip.

Field	Description
Operating Unit Defined	The Operating Unit Defined code on the item's funding strip.
Team/Division	The Team/Division code on the item's funding strip.
BGA	The Benefiting Geographic Area on the item's funding strip. This is equivalent to the old Country Code.
Period of Performance Start and End Dates	For Contracts, the start and end dates on the A&A Contract. For Obligations, the Period of Performance Starts & End Dates on the Phoenix Obligation.
# Mo.	The total number of months covered by the Contract or Obligation. The total months are calculated using the following formula: (Period of Perf Start Date - Period of Perf End Date)/31
Exp Mo.	The number of months that have expired as of the day the Accruals Report is generated. Expired Months are calculated using the following formula: (Period of Perf Start Date - Accruals Report Date)/31 The "Expired Months" can never be more than total number of months.
Obligated Amount	The current obligated amount for the Contract or Obligation item. This includes any deobligations or incremental funding for the line item.
Vouchered Amount	The total of amount of payments entered into Phoenix against the Contract or Obligation item. This does <u>not</u> include advance payments.
Unliquidated Amount	The Unliquidated Amount is equal to: (Obligated Amount) - (Vouchered Amount)
Estimated Accrual Amount	The basic formula used to calculate accruals is: Accrual = [Obligated * (Expired Months/Total Months)] - Vouchered In addition: <ul style="list-style-type: none"> • If the period of performance ends after the accrual date, the accrual amount will be calculated using this formula. • If the period of performance ended less than 90 days before the accrual date, the accrual amount will be equal to the unliquidated amount. • If the period of performance ended more than 90 days before the accrual date, the accrual amount will be \$0.00. <p>For POs and GOs, the accrual amount is based on the total Contract amount, and then allocated to each line based on its weighted average contribution to the Contract unliquidated Obligation amount.</p> <p>For other Obligation types, the accrual calculation is performed separately for each Obligation line item.</p>

Field	Description
Status	<p>This field is populated with one of five options:</p> <ul style="list-style-type: none"> • A - Accrual: The line is material, open and has not expired. An accrual should be calculated for this line. • C – Closed: There is no unliquidated balance in this line. <i>(Note: This does not mean that the Contract is closed)</i> • E – Expired: The period of performance end date has passed. • I – Immaterial: The net Obligation/Contract amount is less than \$10,000 <i>or</i> the unliquidated amount is less than \$2000. • EI – Expired and Immaterial

Reading the Report in Access

Follow these steps to view the Accruals Report in Microsoft Access:

1. Open the file **Accruals Report Q4v1.mdb** in Microsoft Access.
2. Click on the **Reports** tab.
3. Double-click on the Bureau / Operating Unit you want to see.

Printing the Report in Access

To print the Accruals Report in Access, follow the steps listed above, then:

1. Follow the menu path **File > Page Setup**.
2. Click the **Page** tab, and make sure both **Landscape** and **Legal (8.5 x 14 in)** are selected. Then click **OK**.
3. Follow the menu path **File > Print**.

Exporting the Report

There are two different ways to export the Accruals Report from Access to Excel:

To export the report with the formatting seen in the online report:

1. Open a report as described above.
2. Follow the menu path **File > Save As/Export**.
3. Select the radio button for **To an External File or Database**. Click **OK**.
4. Select "Save as Type" **Microsoft Excel 97**. Click **Export**.
5. Open the new file in Excel.

To export the report's raw data into Excel:

1. Open the file **Accruals Report Q4v1.mdb** in Microsoft Access.
2. Click on the **Queries** tab.
3. Double-click on the Bureau / Operating Unit you want to see.
4. Follow the menu path **File > Save As/Export**.
5. Select the radio button for **To an External File or Database**. Click **OK**.
6. Select "Save as Type" **Microsoft Excel 97**. Click **Export**.
7. Open the new file in Excel.

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