No.I.12/ FAP/implementation/2013   Dated: 05.11.2013

Circular No. FAP/14/2013

Sub: Reconciliation of Closing Balances as on 31.03.2013

The field offices are required to reconcile the closing balances as per FAP and as per Manual Accounts as on 31.03.2013 so that the Accounts for the year 2013-14 can be prepared through FAP alongwith all the schedules and subsidiary ledgers.

2.   References are being received from the field offices regarding procedure to be followed for reconciliation of the closing balances as on 31.03.2013. The following procedure shall be adopted to reconcile the closing balances as per FAP and as per Manual Accounts.

(a)   The following reports as on 31.03.2013 shall be drawn to generate the schedules from FAP.

(i)   Creditors Trial balance – for schedules of account head 1401, 1402, 1801, 1802 etc. To view the invoice wise detail of the party please run the " Accounts Payable Trial Balance for the same account head.

(ii)   Prepayment schedule report – for accounts where advances are given using prepayment invoices e.g. A/C Head 2714, 4512. The debtors TB report should aslo be seen for the invoices auto created from AP to AR module to get a complete picture of advances account.

(iii)   Debtors Trial balance report – for Account heads related to debtors, 1806 and claims other than employee advances recoverable through salary.

(iv)   Loan and advances outstanding report (in payroll module) – for employee advances recoverable through salary e.g. account head 2712, 2713, 2715, 2716, 2717, 2718, 2719, 2721, 2722, 2723, 2724 etc.

(b)   The schedules drawn through FAP shall be reconciled with the manual schedules. The following scenarios may be observed while reconciling the closing balances.

    (i)   Liability booked in 2012-13 and outstanding in FAP but liability not appearing in manual schedule.

        (aa) In such cases cancel the invoice.

    (ii)   Liability booked in 2012-13 and outstanding in manual schedule but liability not appearing in FAP schedule.

        (aa) In such cases create an invoice with GL date as 31.03.2013.

    (iii)   Liability booked in 2012-13 and paid in 2013-14 in FAP but liability not appearing in manual scheduled due to transaction considered in 2013-14 in manual accounts.

        (aa) In such cases the a credit memo should be prepared on 31.03.2013 with the relevant expense lines in the distribution as were taken in the distribution of original invoice.

        (bb)   Also create a standard invoice in the date on which the same was paid with the same distribution lines as were taken in the original invoice.

        (cc)   Select credit memo and standard invoice and make a payment through petty cash for net zero amount in the GL date on which the invoice was paid.

    (iv)   Liability booked in 2013-14 and paid in 2013-14 in FAP but liability appearing in manual scheduled in 2012-13 and paid in 2013-14 in manual accounts.

        (aa) In such cases the a standard invoice should be prepared on 31.03.2013 with the relevant expense lines in the distribution as were taken in the distribution of original invoice.

        (bb)   Also create a credit memo in the date on which the same was paid with the same distribution lines as were taken in the original invoice.

        (cc)   Select credit memo and standard invoice and make a payment through petty cash for net zero amount in the GL date on which the invoice was paid.

    (v)   In case of misclassification of liability account as on 31.03.2013 in FAP which has already been paid in F.Y. 2013-14, the same shall be marked in the manual scheduled and no action is to be taken in FAP. However, where the invoices are still outstanding, the invoice may be cancelled as on 31.03.2013 and a new invoice with correct liability account may be entered.

(vi)   Wherever the complete details of the parties are not available or the transactions are entered only to rectify the accounting, an invoice for the consolidated amount may be entered in the name of a dummy supplier and the same shall be rectified as and when the complete details are available.

(vii)   A prepayment invoice is outstanding as on 31.03.2013 in FAP but the same is not outstanding in manual accounts.

> (aa)   In such cases create a standard invoice in AP module with GL date 31.03.2013 with same libility and distribution account and apply the same to the prepayment invoice in GL date of 31.03.2013.

(viii)   An advance is outstanding as on 31.03.2013 in manual accounts but the same is not outstanding in FAP schedules.

> (aa)In such cases create a standard invoice in AR module with receivable and revenue account as 2714 or relevant receivable account as on 31.03.2013.

(ix)   Claims or Debtors booked in 2012-13 and outstanding in FAP but Claims or Debtors not appearing in manual schedule.

> (aa) In such cases create a credit memo in AR module with same receivable and revenue account as in original invoice and apply the same to the invoice in GL date 31.03.2013.

(x)   Claims or Debtors booked in 2012-13 and outstanding in manual schedule but Claims or Debtors not appearing in FAP schedule.

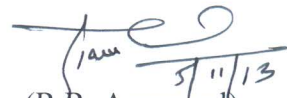> (aa) In such cases create an invoice in AR module with GL date as 31.03.2013.

(xi)   Unapplied receipt outstanding in AR module as on 31.03.2013 but not appearing in manual scheduled.

> (aa) Write off the receipt as on 31.03.2013.

(xii)   The advances paid through payroll module must tally with the manual schedules as the recoveries are already being made through payroll moule. In case of any difference the transaction shall be verified thouroghly. In case it is observed that the difference is due to any past data entry through MDP etc., the outstanding balance shall be adjusted through "Loan and Advances adjustemnt screen" in payroll module.

(xiii)   The schedule for interest receivables on advances is not generated through FAP and the interest receivable is to be calculated manually at the time of yearly closing of Accounts and a JE shall be entered in FAP with the calculations as supporting document to the Journal entry.

3.   The field offices shall pass the entry of opening balance of the stock depot/wise product/wise quantity as per the transation already explained in circular No. 10/2013 in GL date 01.04.2013 so that the opening balance in SLS is correct.

4.   The field offices shall submit the trial balance data template, AP bank master data template and Fixed assets data template for the uploading the same at HQrs level.The regional offices on conformation from the field offices that the balances have been recoconciled shall close the period of March 12-13.

5.   The Headquarters FAP division on closing of the period of March 12-13 would upload the trial balance and assets templates received from the field offices.

6.   The above procedure shall be followed scrouplously for reconciliation of closing balances as on 31.03.2013.

5/11/13

(R.R. Aggarwal)
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Distribution:

1. CGM (Cost/Fin./A/Cs/IA/Funds/CPF) in Headquarters

2. All CGM/GM (F&A) in Zonal offices

3. The Director, IFS, FCI, Gurgaon, Haryana.

4. All Dy. GM (F&A)/ Asstt. GM (A/cs) FCI, Regional Offices.

5. All Area Managers.