



Management Directive

Commonwealth of Pennsylvania

Governor's Office

Management Directive 310.29 Amended – Using Value Date or Service Date in SAP

Date: May 13, 2022
By Direction of: *Greg Thall*
Greg Thall, Secretary of the Budget

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This directive establishes policy, responsibilities, and procedures to ensure that agencies and the Office of the Budget, Office of Comptroller Operations (OCO) personnel are correctly and consistently recording the Value Date on all revenue and expenditure transactions and on all Goods Receipts posted in the SAP enterprise resource planning system (hereinafter referred to as "SAP"). The Value Date may also be referred to as the "service date."

1. PURPOSE.

To establish policy, responsibilities, and procedures to ensure that the Value Date is consistently and correctly populated on all SAP transactions.

2. SCOPE.

This directive applies to all departments, offices, boards, commissions, and councils under the Governor's jurisdiction, and to those independent agencies using SAP as the agency financial accounting system (hereinafter referred to as "agencies"). It is recommended that agencies not under the Governor's jurisdiction adopt similar policy and procedures.

3. OBJECTIVES.

To accurately reflect the Value or Service Date for all revenue and expenditure transactions in SAP and all posted Goods Receipts.

4. DEFINITIONS.

- a. **Accounts Receivable.** Monies owed to the Commonwealth from external customers that received either services or products from the Commonwealth. External customers do not include Commonwealth agencies or employees.
- b. **Accrual Accounting.** An accounting method where most transactions are recognized when they occur, regardless of when cash is received or disbursed.
- c. **Cost Allocation.** A method for agencies to bill for goods or services or distribute costs among agencies. Cost Allocations are comprised of a payee (sender, credit agency, or area seeking payment for a good or service provided to another agency) and a payer (receiver, debit agency, or area paying or reimbursing for a good or service provided by another agency). Cost Allocations include interfaced centralized billings, agency-prepared general invoices in electronic format (e.g., Microsoft Word or Excel), and manually processed transactions in the SAP Controlling (CO) or Finance (FI) modules. At the Commonwealth level, Cost Allocations have a zero-net effect on balance sheet general ledger accounts.
- d. **Customer Refunds.** Monies returned to external customers because of overpayments or errors.
- e. **General Ledger Adjustment.** Adjustments made to general ledger accounts that represent the movement of expenditures or revenue between funds.
- f. **Goods Receipt.** An entry made in SAP by agency personnel providing approval and verification of goods and services received from procurement vendors before payment is made on Purchase Order (PO) invoices.
- g. **Parked in SAP.** Refers to when any document is entered into SAP by an agency and saved for review and posting by BAFM.
- h. **Value Date.** The service date of the revenue or expenditure transaction. The Value Date field is used primarily to track the date revenues are earned by the Commonwealth and the date materials and services are received by the Commonwealth. The Value Date may also be referred to as the "service date."
- i. **Vendor Invoice.** A vendor request for payment which includes an itemized list of materials or services provided specifying the quantity or period of service, price per unit, payment date, and terms of the sale.
- j. **Vendor Refund.** Monies returned by a vendor that represent an overpayment, or error in payment, for materials or services provided.

5. POLICY.

- a. Accurate and consistent use of the Value Date field will enable Accrual Accounting and financial reporting as required by Governmental Accounting Standards Board statements and Generally Accepted Auditing Standards for preparation of governmental audited financial statements and will aid agencies and the Office of the Budget in the preparation of interim financial reports, spending trend analyses, and year-over-year variance analyses.

- b.** All expenditure, revenue, and general ledger transactions posted or Parked in SAP by agencies or OCO personnel must reflect an accurate Value Date. All Goods Receipts posted in SAP by agency personnel must reflect an accurate Value Date. The posting date is not always the Value Date and as such, should not be used as the default. Therefore, to avoid the Value Date being incorrectly populated, the Value Date field in SAP shall be completed as follows:
 - (1)** Value Date for Revenues. Use the actual date that the services or materials were provided to the customer. For tax revenues, use the last date of the period of time to which the particular tax amount relates based on Commonwealth law or regulation. For intergovernmental revenues, use the date the Commonwealth earns the revenue. For investment income and interest on notes and loans, use the last date of the applicable period of time related to the remittance item. The Value Date generally occurs prior to the actual deposit date.
 - (2)** Value Date for Expenditures. Use the actual date that materials were received or services were provided to the Commonwealth.
 - (3)** Value Date for General Ledger Adjustments. Use the date of the underlying transaction for which an adjustment is being recorded into the system.

6. RESPONSIBILITIES.

a. OCO and Agency Managers shall:

- (1)** Implement a methodology whereby all expenditure and revenue transactions, and General Ledger Adjustments, are posted or Parked in SAP with an accurate Value Date.
- (2)** Implement a methodology whereby all Goods Receipts are posted in SAP with an accurate Value Date.
- (3)** Monitor the agency interface Value Date field, and if necessary, coordinate corrective measures with Office of Administration (OA) Information Technology (IT) Delivery Center staff or agency IT staff for resubmission.

b. Agencies shall:

- (1)** Ensure that all expenditure and revenue transactions and General Ledger Adjustments on interface files sent to OA, Integrated Enterprise System (IES) include an accurate Value Date consistent with this policy.
- (2)** Ensure all expenditure transactions for non-PO invoices are posted/blocked in SAP with an accurate Value Date.
- (3)** Revise existing interface files that post revenue or expenditures into SAP to include the Value Date field.

c. BAFM shall:

- (1)** Establish policy and procedures for posting the Value Date in SAP.

- h.** For expenditure or revenue entries posted or Parked in SAP using transaction FB50, FV50, FBR2, or Y_DC6_14000287, the actual date of the Goods Receipt must be entered on each line item in the Value Date field.
- i.** When an adjustment is made to an expenditure or revenue account in SAP using FB50, FV50, FBR2, or Y_DC6_14000287, the Value Date of the original posting should be entered on each line item of the Value Date field.
- j.** For all Cost Allocations posted in SAP using transaction KB15N or ZF_KB15N, the actual date of the Goods Receipt must be entered in the "Document Date" field.
- k.** For all Goods Receipts recorded in SAP using transaction MIGO, the "Document Entry Date" field must be changed from the current date to match the actual Goods Receipt date.
- l.** For all Goods Receipts recorded in SAP using transaction MIGO, the "Delivery Performance Date" field must be changed from the current date to match the Goods Receipt date.

This directive replaces, in its entirety, *Management Directive 310.29 Amended*, dated June 10, 2009.