



## Financial Management Modernization Initiative (FMMI)

FMMI 203 – Periodic Processing  
Overview





# Course Outline



- **Introduction Module**
- Module 1 – Periodic Processing Overview
- Module 2 – Month-End Closing Sub-Process
- Module 3 – Year-End Closing Sub-Process
- Course Summary
- Course Evaluation



# Welcome to FMMI Periodic Processing Overview



- The Periodic Processing course will provide you an introduction to the process, coordination, and information needed to understand Periodic Processing in FMMI. The course introduces you to:
  - End-to-End Periodic Processing
  - Key Terminology
  - FMMI User Roles and their responsibilities
  - Periodic Processing touchpoints with other process areas





# Course Objectives



After completing this course, you will be able to:

- Explain key Periodic Processing terminology and concepts
- Explain the FMMI roles and functions relevant to performing Periodic Processing
  - Month-End Closing sub-processes
  - Year-End Closing sub-processes
- Explain high-level Periodic Processing and sub-processes
- Explain how other process areas interact with Periodic Processing
- Provide examples of the FMMI standard reports





# Introduction Module Overview



Before you get started with the course modules, review the next slides. The next slides include:

- Process Flow Reference Guide
- Review of the content covered in FMMI 101 – Introduction to FMMI
- Review of the FMMI Curriculum



# FMMI 101 Course Review



As a prerequisite to the 200 Level courses, you participated in the FMMI 101 - Introduction to FMMI course. FMMI 101 provided a high-level overview of the FMMI project, changes and impacts of the implementation, and benefits of the new system.

After completing the FMMI 101 course, you learned to:

- Summarize the FMMI program objectives
- Explain the benefits and advantages FMMI provides
- Describe an Enterprise Resource Planning (ERP) solution and the benefits it provides USDA
- Explain new processes and concepts
- Explain the key implementation timeline and milestones
- Explain what organizations are impacted by each release of FMMI

The 200 Level Process Overview courses takes a step further and provides you a high-level overview of FMMI's new terminology and processes.

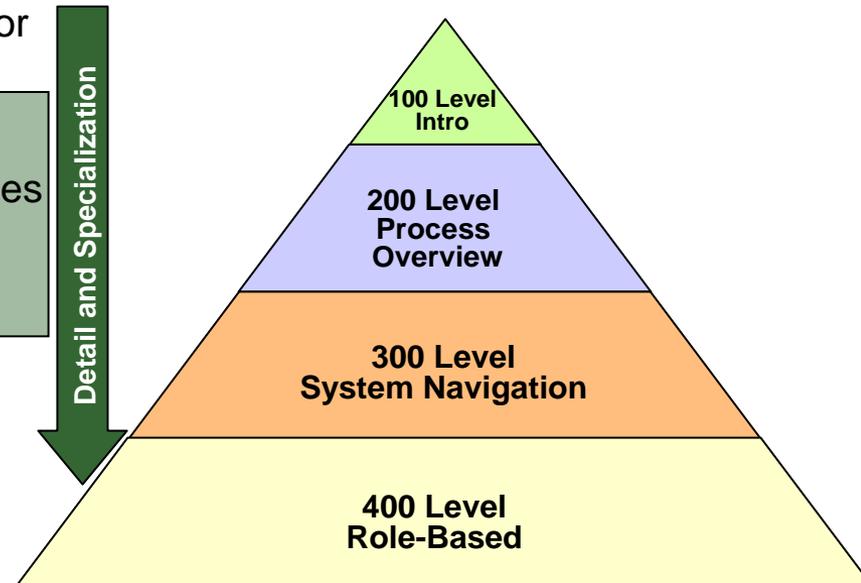


# Your Curriculum



The FMMI Training curriculum outlines the training required for FMMI User Roles. The training courses provide an understanding of the FMMI program and application(s) and the USDA financial processes.

- **Introduction to FMMI (100 Level)**
  - Overview of the FMMI project
  - Instructor-led course, delivered in an auditorium or via teleconference
- **Process Overview (200 Level)**
  - High-level view of USDA's core financial processes
  - Web-based course, delivered via AgLearn Learning Management System
- **System Navigation (300 Level)**
  - Hands-on practice navigating the FMMI system
  - Instructor-led course, delivered in a computer-based classroom
- **Role-Based (400 Level)**
  - Hands-on training and detailed introductions on how to process transactions in the FMMI system
  - Instructor-led course, delivered in a computer-based classroom





# Module Completion



Congratulations! You have completed the Introduction module. The next few modules provide you an overview of Periodic Processing in FMMI.

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



- Introduction Module
- **Module 1 – Periodic Processing Overview**
- Module 2 – Month-End Closing Sub-Process
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- Course Evaluation



# Welcome to Module 1: Periodic Processing Overview



- This module will provide you an overview of Periodic Processing
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn





# Objectives



After completing this module, you will be able to:

- Explain the key Periodic Processing terminology and concepts
- Explain the purpose of the Finance Module (FI) within the FMMI system
- Illustrate purpose and use of FMMI roles associated with Periodic Processing
- Explain the process flow of Periodic Processing activities
- Explain the interactions between Periodic Processing and other process areas within FMMI
- Provide examples of the FMMI standard reports





# Key Terminology



Review the following terms and definitions before beginning the Periodic Processing Overview module:

- **Financial Accounting (FI)** = FMMI module that facilitates management and external reporting of legally required financial information and documents. It includes Company Code (USDA), Business Areas (Agencies/Staff Offices + Lower Lever Divisions), Chart of Accounts (USGL), and GL Accounts (USSGL)
- **Periodic Processing** = The process of reporting, classifying and managing financial transactions within FMMI for month-end and year-end processes



# What is the Finance Module (FI)?



The Financials (FI) module addresses the financial, budgetary, and statutory reporting requirements.

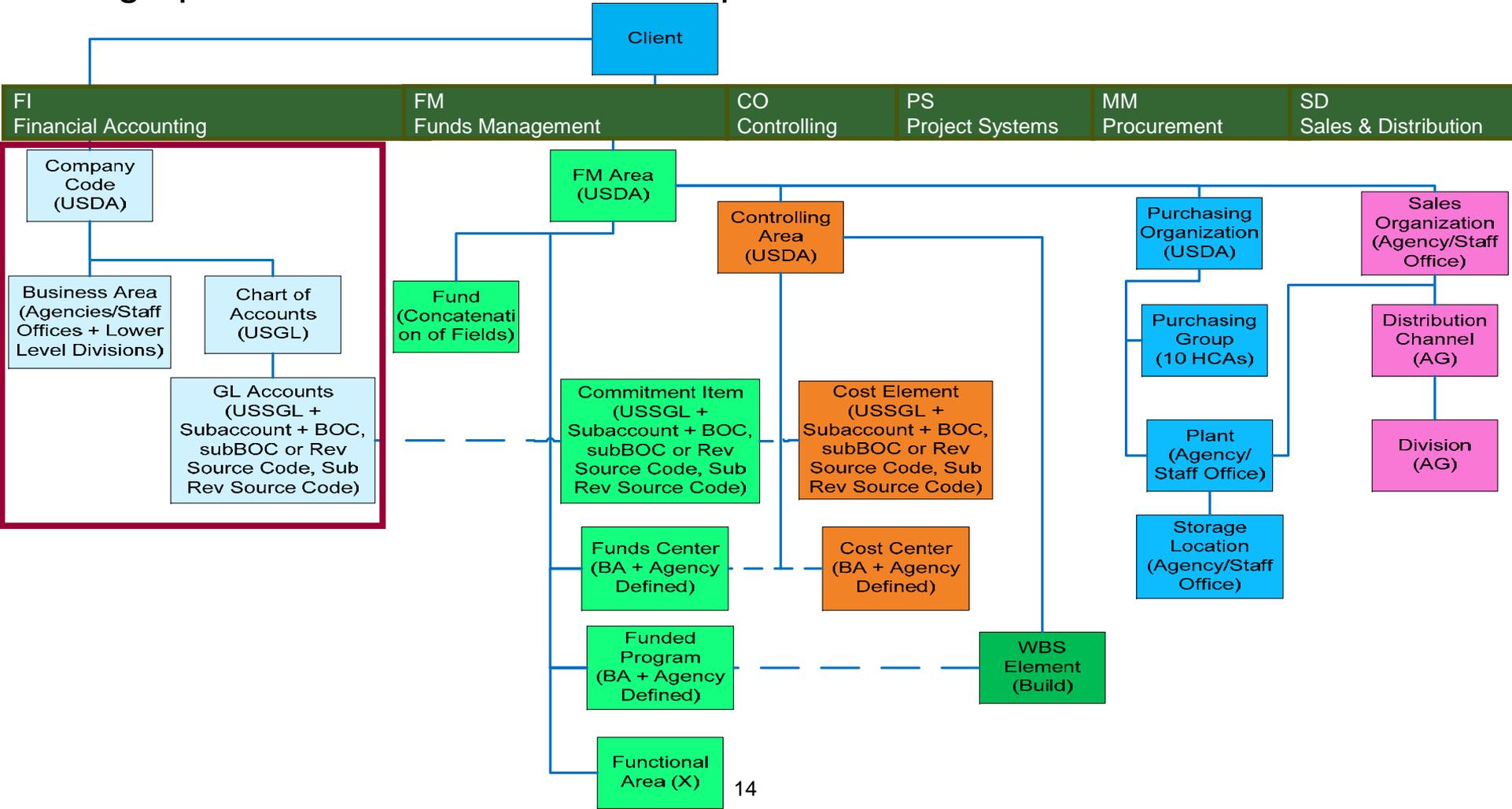
- Every transaction resulting in a financial impact posts to the FI module
- The FI module houses three special ledgers:
  - Ledger 95: Holds data for the Balance Sheet by Fund
  - Ledger 96: Holds data for the FACTS I reporting
  - Ledger 97: Holds data for the FACTS II reporting
- The account balances of each GL Account (USSGL + sub account) are housed in the FI module
- Immediately after data is entered, the FI Module displays information on updated accounts, account totals, and balances; it can also produce the Balance Sheet and Statement of Net Cost



# FMMI Organizational Hierarchy



This graphic illustrates the relationships between the different FMMI modules:

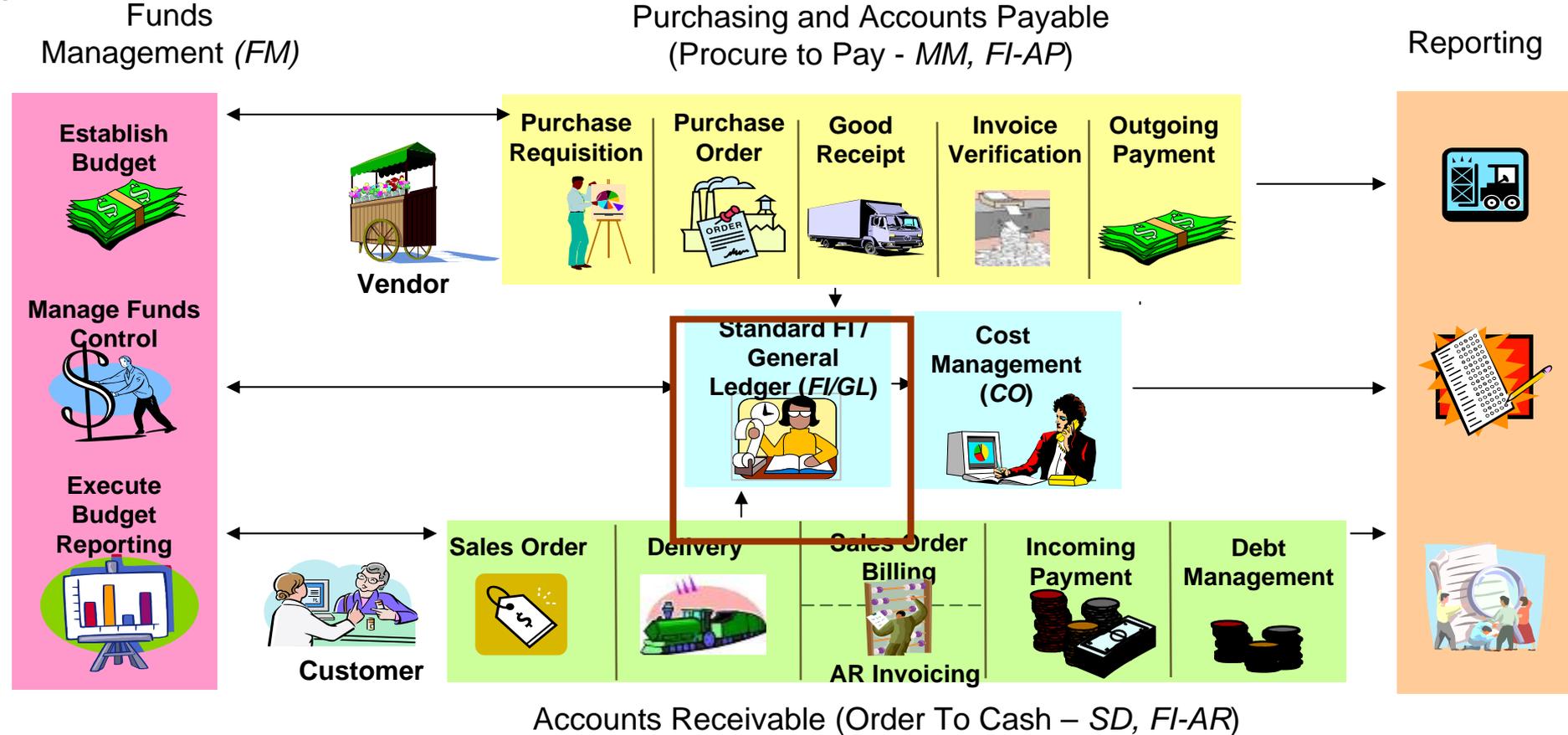




# FMMI Financial Process Flow



This process flow illustrates the FMMI Financial end-to-end process. The highlighted area illustrates where the Periodic Processing fits in the entire process.



FMMI Modules = *Italics*



# FMMI User Roles



- Role Alignment is the process of defining FMMI User Roles required to obtain system access to perform FMMI processes
- Once roles are the defined, FMMI users are aligned to them
- Proper role definition and alignment:
  - Ensures users have access to perform the tasks needed to perform FMMI transaction
  - Ensures proper segregation of duties
  - Ensures FMMI users receive proper training
- An individual user may be assigned one or more FMMI roles based on their responsibilities
- Upcoming modules further explain FMMI User Roles

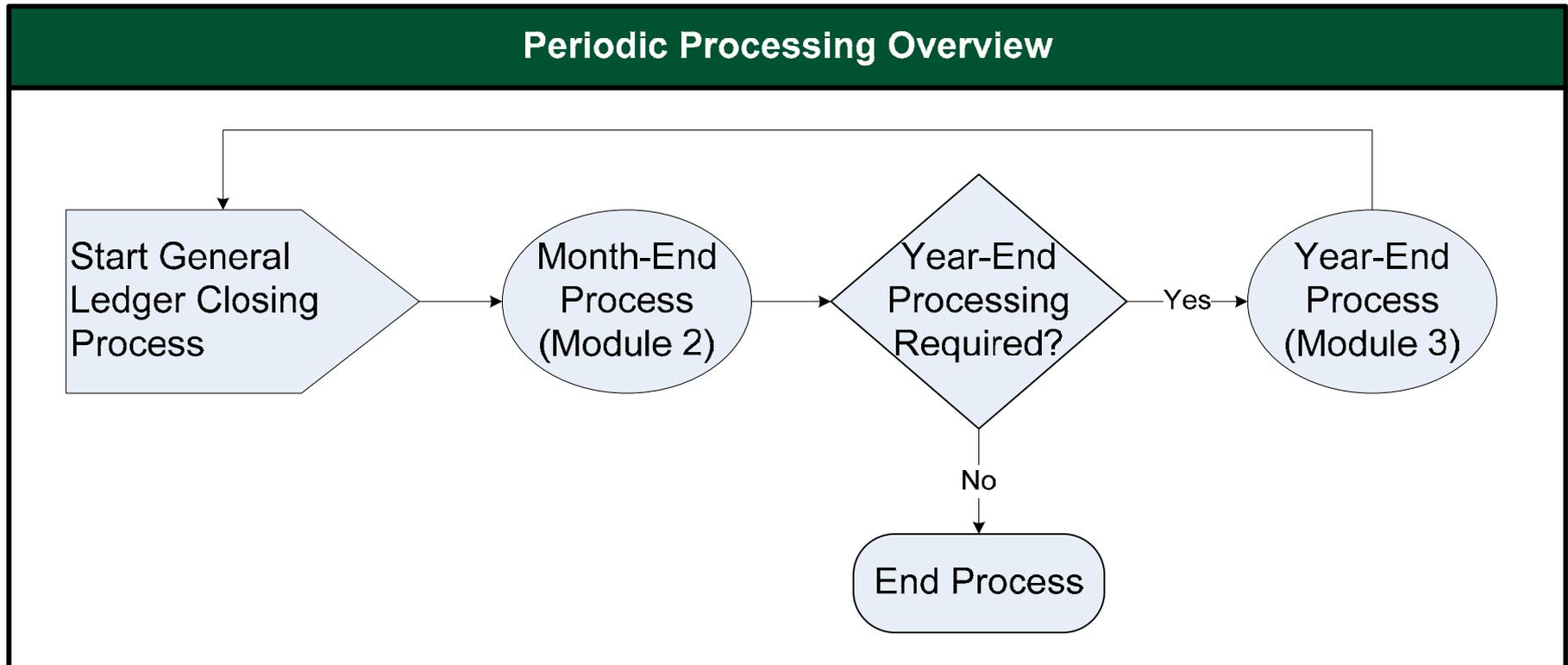




# Periodic Processing Overview



This process flow outlines the key activities related to end-to-end Periodic Processing:





# Key Concepts



The following concepts pertain to Periodic Processing:

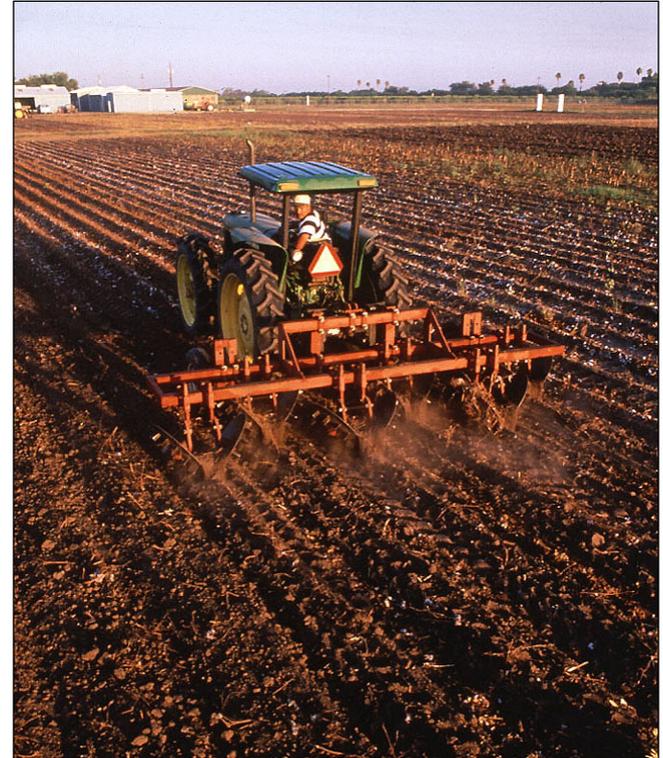
- Periodic Processing includes all facets of reporting, classifying, and managing financial transactions within FMMI for month-end and year-end processes. As part of the closing process, specific internal and external reports should be executed, reviewed, and analyzed
- The closing process starts on the last working day of the current period and may continue into the subsequent period
- The closing process is managed by allowing the current period to remain open while also opening the subsequent period to allow the posting of relevant transactions to the new period
  - The Month-End Closing sub-process is performed with the purpose of providing timely and accurate financial information
  - The Year-End Closing sub-process mirrors the Month-End Closing sub-process, but it also includes several additional processes such as cancelling all outstanding closed commitments and funds commitments



# Touchpoints



- Touchpoints are those instances where one process, sub-process or activity interacts with another process, sub-process or activity
- Periodic Processing interacts with the following processes:
  - Accounts Payable (AP) / Purchasing
  - Accounts Receivable (AR) / Sales & Distribution (SD)
  - Controlling (CO)
  - Funds Management (FM)





## FMMI Reports



FMMI utilizes several reports to provide users with important and necessary information. Listed below are some examples of reports used for Periodic Processing within FMMI:

- FACTS I Trial Balance Report
- FACTS II Trial Balance Report
- Transaction Register Report
- SF-224 Cash Transaction Report
- SGL Trial Balance Report

Later FMMI courses provide a more exhaustive list and more detailed information about reporting.



# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
- While there is no minimum passing score, ensure you have a strong understanding of each concept before continuing
- If you answer the questions incorrectly, please be sure to reference the course if you need more explanation about key concepts
- At anytime you can review information from this module by clicking **Menu** and selecting a page from the **Menu** pop-up





# Learning Checkpoint Question and Answer (Q&A)



- 1. True/False:** The FI module determines how USDA maintains, updates, and processes vendor invoices. **(False)**
- 2. True/False:** The closing process is managed by allowing the current period to remain open while also opening the subsequent period to allow the posting of relevant transactions to the new period. **(True)**
- 3. True/False:** An individual user can only be assigned a single FMMI role. **(False)**



# Learning Checkpoint Question and Answer (Q&A)



4. **Multiple Select:** Select all the process areas with which Periodic Processing interacts.
  - a) **Accounts Payable/Purchasing**
  - b) **Accounts Receivable/Sales & Distribution**
  - c) **Controlling**
  - d) **Funds Management**
  
5. **True/False:** Periodic Processing includes all facets of reporting, classifying, and managing financial transactions within FMMI for month-end and year-end processes. **(True)**



# Module Summary



In this module, you have learned to:

- Explain the key Periodic Processing terminology and concepts
- Explain the purpose of the Finance Module (FI) within the FMMI system
- Illustrate purpose and use of FMMI roles associated with Periodic Processing
- Explain the process flow of Periodic Processing activities
- Explain the interactions between Periodic Processing and other process areas within FMMI
- Provide examples of the FMMI standard reports





# Module Completion



Congratulations! You have completed Module 1 – Periodic Processing Overview. The next module provides you an overview of the Month-End Closing sub-process.

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



- Introduction Module
- Module 1 – Periodic Processing Overview
- **Module 2 – Month-End Closing Sub-Process**
- Module 3 – Year-End Closing Sub-Process
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# Welcome to Module 2: Month-End Closing Sub-Process



- This module provides you an overview of the Month-End Closing sub-process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn





# Objectives



After completing this module, you will be able to:

- Explain the key Month-End Closing terminology and concepts
- List the FMMI roles associated with the Month-End Closing sub-process
- Explain the process flow of Month-End Closing activities
- Explain the interactions between the Month-End Closing sub-process and other process areas within FMMI





# Key Terminology



Review the following terms and definitions before beginning the Month-End Closing Sub-Process module:

- **Adjustments** = Corrections to the General Ledger entries
- **Allocations** = A periodic process usually performed during Month-End Closing that assesses or distributes amounts and quantities from one Cost Center/project to one or more Cost Center(s)/project(s)
- **Goods Receipt/Invoice Receipt (GR/IR) Clearing Account** = Clearing account used for posting goods received which have not been invoiced, and for posting invoices for goods which have not been received





# FMMI User Roles



The FMMI Month-End Closing sub-process includes the following roles:

Role Name	Function
Period-End Processor	<ul style="list-style-type: none"> <li>■ Maintain Cut-Off Periods</li> <li>■ Close AR, FM and CO for the period</li> <li>■ Close Financials (FI)</li> </ul>
GL Processor	<ul style="list-style-type: none"> <li>■ Maintain Parked GL Account Documents</li> <li>■ Maintain Accruals</li> </ul>
GL Administrator	<ul style="list-style-type: none"> <li>■ Maintain Recurring Entries</li> <li>■ Create Adjustment Entries</li> </ul>
Invoice Processor	<ul style="list-style-type: none"> <li>■ Execute GR/IR Clearing for Matched Items</li> </ul>





# FMMI User Roles Continued



Role Name	Function
Cost Allocation Administrator	<ul style="list-style-type: none"> <li>Execute Cost Allocation</li> </ul>
Billing Processor	<ul style="list-style-type: none"> <li>Execute AR Billing</li> <li>Run Billing Due List</li> </ul>
Financial Reporter	<ul style="list-style-type: none"> <li>Execute SF-224 Report</li> <li>Execute Financial Reports</li> </ul>
Treasury Submission Processor	<ul style="list-style-type: none"> <li>Submit SF-224 Report to Treasury</li> <li>Submit FACTS II Reports</li> </ul>
FACTS Processor	<ul style="list-style-type: none"> <li>Executes FACTS II Reports</li> </ul>



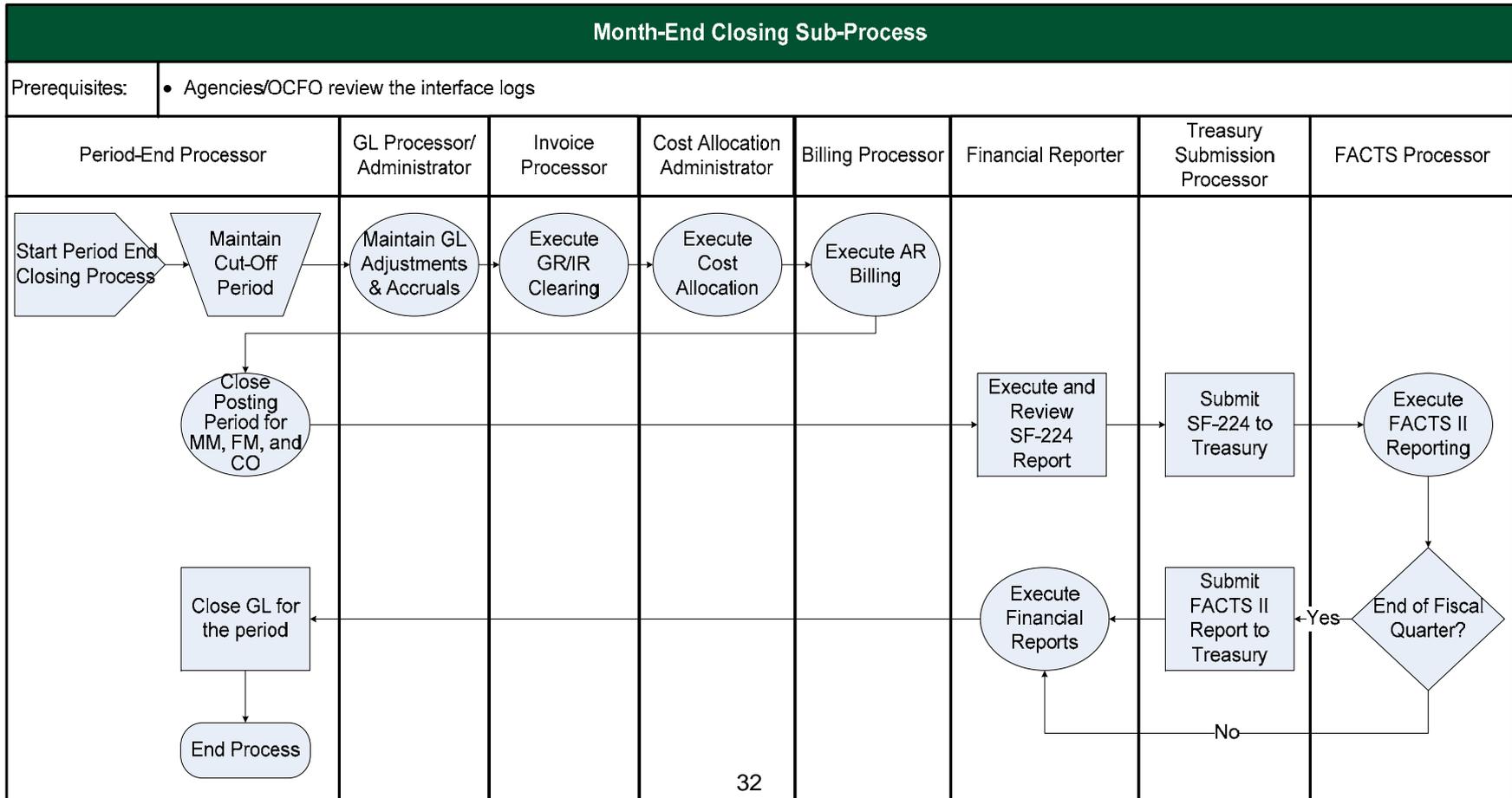
– The functions performed by the CO Allocation Administrator and the Billing Processor during Periodic Processing occur within the Cost Management module and the Accounts Receivable module, respectively



# Month-End Closing Sub-Process



This process flow outlines the key activities related to Month-End Closing sub-process:





# Key Concepts



The following concepts pertain to the Month-End Closing sub-process:

- The purpose of the Month-End Closing sub-process is to provide timely and accurate financial information in FMMI
- Specific internal and external reports should be executed, reviewed, and analyzed as part of the closing process
- You may still generate reports for prior periods even after they have been closed
- You can perform multiple closings in test mode so that you can review the closing results, clear the closing entries, and re-run the closing process. This functionality is available for both pre-closing entries and closing entries
- FMMI provides the following periods:
  - Period 1-12 for normal period postings
  - Special period 13 for adjustments
  - Special period 14 for audit adjustments



# Touchpoints



The following table outlines the key touchpoints between the Month-End Closing sub-process and other process areas within FMMI:

<b>Process</b>	<b>Touchpoint</b>
Cost Management	■ Execute Cost Assessment
Accounts Receivable	■ Run Billing Due list
Accounts Payable	■ Execute Goods Receipt/Invoice Receipt (GR/IR) Clearing



# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
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# Learning Checkpoint Question and Answer (Q&A)



1. **True or False:** The Cost Management process is a touchpoint with the Month-End Closing sub-process. (**True**)
  
2. **Multiple Choice:** Which of the following does occur during Month-End Close?
  - a. Maintain Cut-Off Periods
  - b. Execute Cost Allocations
  - c. Execute SF-224
  - d. Execute AR Billing
  - e. **All of the Above**



# Learning Checkpoint Question and Answer (Q&A)



3. **True or False:** After subsequent periods are closed, you cannot regenerate reports for prior periods. (*False*)
  
4. **True or False:** Special Period 14 is for audit adjustments. (*True*)
  
5. **Multiple Choice:** Which of the following is a special period?
  - a) **13**
  - b) 8
  - c) 5
  - d) 2
  - e) 1



# Module Summary



In this module, you have learned to:

- Explain the key Month-End Closing terminology and concepts
- List the FMMI roles associated with the Month-End Closing sub-process
- Explain the process flow of Month-End Closing activities
- Explain the interactions between the Month-End Closing sub-process and other process areas within FMMI





# Module Completion



Congratulations! You have completed Module 2 – Month-Closing Sub-Process. The next module provides you an overview of the Year-End Closing sub-process.





# Course Outline



- Introduction Module
- Module 1 – Periodic Processing Overview
- Module 2 – Month-End Closing Sub-Process
- **Module 3 – Year-End Closing Sub-Process**
- Course Summary
- Course Evaluation



# Welcome to Module 3: Year-End Closing Sub-Process



- This module will provide you an overview of the Year-End Closing sub-process
- Proceed to each new page by clicking the **Next** button when you have finished reading the content on a page
- To view a full list of the topics covered in this module, click the Menu button on the top right corner of the course
- When you are finished with the Module, click **Exit** to mark the module complete and return to AgLearn





# Objectives



After completing this module, you will be able to:

- Explain the key Year-End Closing terminology and concepts
- List the FMMI roles associated with the Year-End Closing sub-process
- Explain the process flow of Year-End Closing activities
- Explain the differences between the Month-End Closing process and the Year-End Closing process
- Explain the interactions between the Year-End Closing process and other process areas within FMMI





# Key Terminology



Review the following terms and definitions before beginning the Year-End Closing Sub-Process module:

- **Special Period** = Periods 13-16 that are used during the Year-End Closing sub-process for certain adjustments
- **Special Purpose Ledger** = Special Ledger 95 records transactions used to generate financial statements, Special Ledger 96 contains attributes that generate the FACTS I reporting, and Special Ledger 97 contains attributes that generate the FACTS II reporting. All these ledgers must be in balance



# FMMI User Roles



The FMMI Year-End Closing sub-process includes the following roles:

Role Name	Function
Period-End Processor	<ul style="list-style-type: none"><li>Execute all activities related to closing procedures</li><li>Execute the pre-closing, closing, and carry-forward activities</li></ul>
FACTS Processor	<ul style="list-style-type: none"><li>Execute all activities related to FACTS I and FACTSII</li><li>Upload and edit MAF file from Treasury</li><li>Run data extract, apply edits, and maintain footnotes for FACTS II</li></ul>





# FMMI User Roles Continued



Role Name	Definition
Treasury Submission Processor	<ul style="list-style-type: none"><li>■ Send the FACTS I and FACTS II bulk file to Treasury</li><li>■ Submit the SF-224 to Treasury</li></ul>
Financial Reporter	<ul style="list-style-type: none"><li>■ Generate financial statements</li></ul>

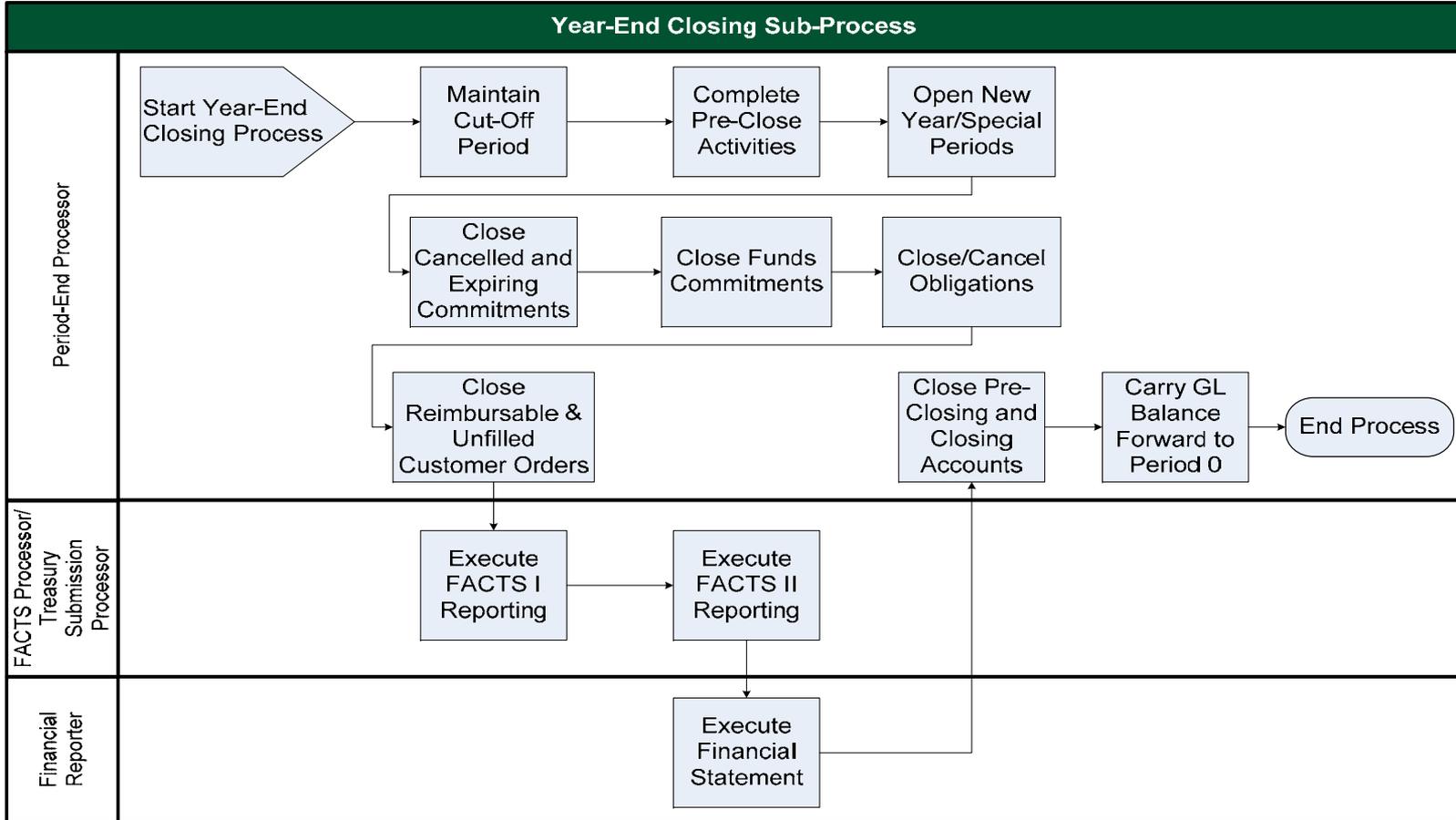




# Year-End Closing Sub-Process



This process flow outlines the key activities related to Year-End Closing sub-process:





# Key Concepts



The following concepts pertain to the Year-End Closing sub-process:

- The Year-End Closing activities are divided into three phases:



- Perform reconciliations and adjustments prior to submission of final year-end balances to Treasury and Office of Management and Budget (OMB)

- Closing of the remaining budgetary and proprietary accounts

- Rolling forward of account balances and residual budget to the new year



# Year-End Closing



- The Year-End Closing sub-process finalizes the accounting records for one fiscal year and prepares the accounting records for the upcoming fiscal year
- Prior to the actual closing, it is recommended to perform a “dry run” for processing accounting records for the previous fiscal year and for the upcoming fiscal year
  - The “dry run” is used to verify the correctness and completeness of the agency’s financial data before executing the final close
- Prior to running the final year-end close, there may also be selected GL entries that require an adjustment



# Year-End Closing Continued



- Year-end closing activities result in the generation of carry-forward balances of the proprietary and budgetary accounts
  - Some examples of carry forward balances include travel advances, unliquidated obligations, and inventory
- During the Year-End Closing sub-process, the Financial Reporter generates the following financial statements:
  - Balance Sheet
  - Statement of Net Costs
  - Statement of Net Position
  - Statement of Budgetary Resources
  - Statement of Financing
- As part of the annual close, GL balances must be rolled to establish new year beginning balances



# Touchpoints



The following table outlines the key touchpoints between the Year-End Closing sub-process and other process areas within FMMI:

Process	Touchpoint
Funds Management	<ul style="list-style-type: none"><li>■ Check fund balance so that balances are not carried over</li></ul>
Material Management	<ul style="list-style-type: none"><li>■ Check purchase orders for cancelled funds</li></ul>



# Learning Checkpoint Question and Answer (Q&A)



- The questions on the following pages will test your understanding of key concepts in this module
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# Learning Checkpoint Question and Answer (Q&A)



1. **True/False:** Prior to the actual closing it is recommended to perform a “dry run” for processing accounting records for the old fiscal year and for the upcoming new fiscal year. **(True)**
  
2. **Multiple Choice:** Which of the following is NOT a role used in Year-End Processing?
  - a) Period End Processor
  - b) *General Ledger Master Data Maintainer***
  - c) FACTS Processor
  - d) Treasury Submission Processor
  
3. **True/False:** The Period-End Processor generates financials statements such as the Balance Sheet during year-end close. **(False)**



# Learning Checkpoint Question and Answer (Q&A)



4. **Multiple Choice:** Which of the following is an example of a carry forward balance?
- a) Unliquidated Obligations
  - b) Travel Advances
  - c) Cancelled Commitments
  - d) **A and B**
  - e) None of the Above
5. **True/False:** Rolling over proprietary and budgetary accounts to the subsequent period is performed during month-end closing and year-end closing. (**False**)



# Module Summary



In this module, you have learned to:

- Explain the key Year-End Closing terminology and concepts
- List the FMMI roles associated with the Year-End Closing sub-process
- Explain the process flow of Year-End Closing activities
- Explain the differences between the Month-End Closing process and the Year-End Closing process
- Explain the interactions between the Year-End Closing process and other process areas within FMMI





# Module Completion



Congratulations! You have completed Module 3 – Year-End Closing Sub-Process. The next module provides you a summary of the course.

Select the **Exit** button to leave this module and return to the course menu.





# Course Outline



- Introduction Module
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- **Course Summary**
- Course Evaluation



# Course Summary



In this course, you have learned to:

- Explain key Periodic Processing terminology and concepts
- Explain high level Periodic Processing and sub-processes
- Explain the FMMI roles required to perform Periodic Processing
  - Month-End Closing sub-processes
  - Year-End Closing sub-processes
- Explain how other process areas interact with Periodic Processing
- Provide examples of the FMMI standard reports



# Course Completion



**Congratulations, you have completed :**

***FMMI 203 – Periodic Processing Overview***

To ensure that your FMMI training curriculum is updated and you receive credit for completing the course, please click the link below to complete the course completion form.

[Course Completion](#)





# Course Outline



- Introduction Module
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# Course Evaluation



- In our efforts to continuously improve FMMI Training, please complete the course evaluation
- The FMMI team uses the results of evaluations to determine the overall effectiveness of the training program and to identify improvements for future sessions
  - Your answers will remain confidential but you may also provide your name if desired
- The evaluation can be accessed at the following link:

[Course Survey](#)

