mveca
miami valley educational computer association

2016 mveca usps fiscal yearend

Preliminary Fiscal Yearend Processing:

☐ **1. SEVERANCE PAYMENTS** - UPDCAL RATE field cannot exceed 9,999.99 - severance pay. If the severance pay exceeds 9,999.99, add two lines in UPDCAL_FUT or UPDCAL_CUR for severance pay. Example:

Type	Units	Rate	Amount	Description
MIS	1.00	9000.000	9000.00	Severance
MIS	1.00	6000.000	6000.00	Severance

OR- Use the daily rate to calculate the severance pay for a single UDPCAL transation:

Type	Units	Rate	Amount	Description
MIS	60.00	250.000	15000.00	Severance

☐ **2. COST OF LIFE INSURANCE OVER $50,000** - Be certain to pay non-cash earnings to retiring/terminating employees with greater than $50,000 Life Insurance before their final pay. Add an NC1 pay type in UPDCAL_CUR or UPDCAL_FUT.

See IRS Publication 15-B for Cost Table

Age	Cost
Under 25	$ .05
25 through 29	.06
30 through 34	.08
35 through 39	.09
40 through 44	.10
45 through 49	.15
50 through 54	.23
55 through 59	.43
60 through 64	.66
65 through 69	1.27
70 and older	2.06

EXAMPLE: District provides $100,000 group term life for the Superintendent. The Superintendent is 54 years old on the last day of 2016 and is retiring effective July 1, 2016. The non cash earnings would equal (.23 x 50 x 6) = $69.00.
FORMULA- (cost/1000 for 1 month X amount of coverage over 50,000/1000 X months of coverage)= non cash earnings There is an NC1 calculator available on the Fiscal USPS webpage.

The best option is to add the NC1 pay types in UPDCAL_CUR after INICAL to keep INICAL totals correct for the next payroll.

Any NC1 amounts are taxed by Medicare and Social Security, as applicable. No Federal, state, or OSDI tax is deducted from this amount. The software provides the ability to withhold city tax on non-cash earnings. This can be activated by setting the "Tax non-cash earnings" flag to Y (yes) on the city tax record in the USPSDAT/DEDNAM program.

The non-cash earnings amount will not be included in the gross pay amount, nor in the gross totals found on PAYRPT or PAYSUM. However, the non-cash earnings amount is being included in the adjusted gross figure because the amount is considered part of the taxable gross even though no tax is being withheld on it. Both the PAYRPT and PAYSUM reports will provide a total figure of all non-cash earnings in the total section. This extra total will help in balancing purposes.

During the CHKUPD program, the total payment showing for NC1, will be added to the total and taxable gross figures on all the tax records including those for which no tax was withheld. City tax deduction records total and taxable gross fields are increased by this amount regardless of how the "tax non-cash earnings" flag is set in DEDNAM. If the city in question does not consider the non-cash earnings for city taxation purposes, the district will have to reduce the total and taxable wage figures for these employees. The JOBSCN to-date figures (screen 3 of 3) will also be updated in the Non-cash earnings fields.

☐ **3.** Go into USPSDAT/USPCON and verify the last year advance amount is zero and no asterisk "*" appears in the advance field (2nd screen). If the amount is not zero, please contact MVECA.

Payroll Processing:
STRS Advance Mode : *
STRS Advance Amount : .01

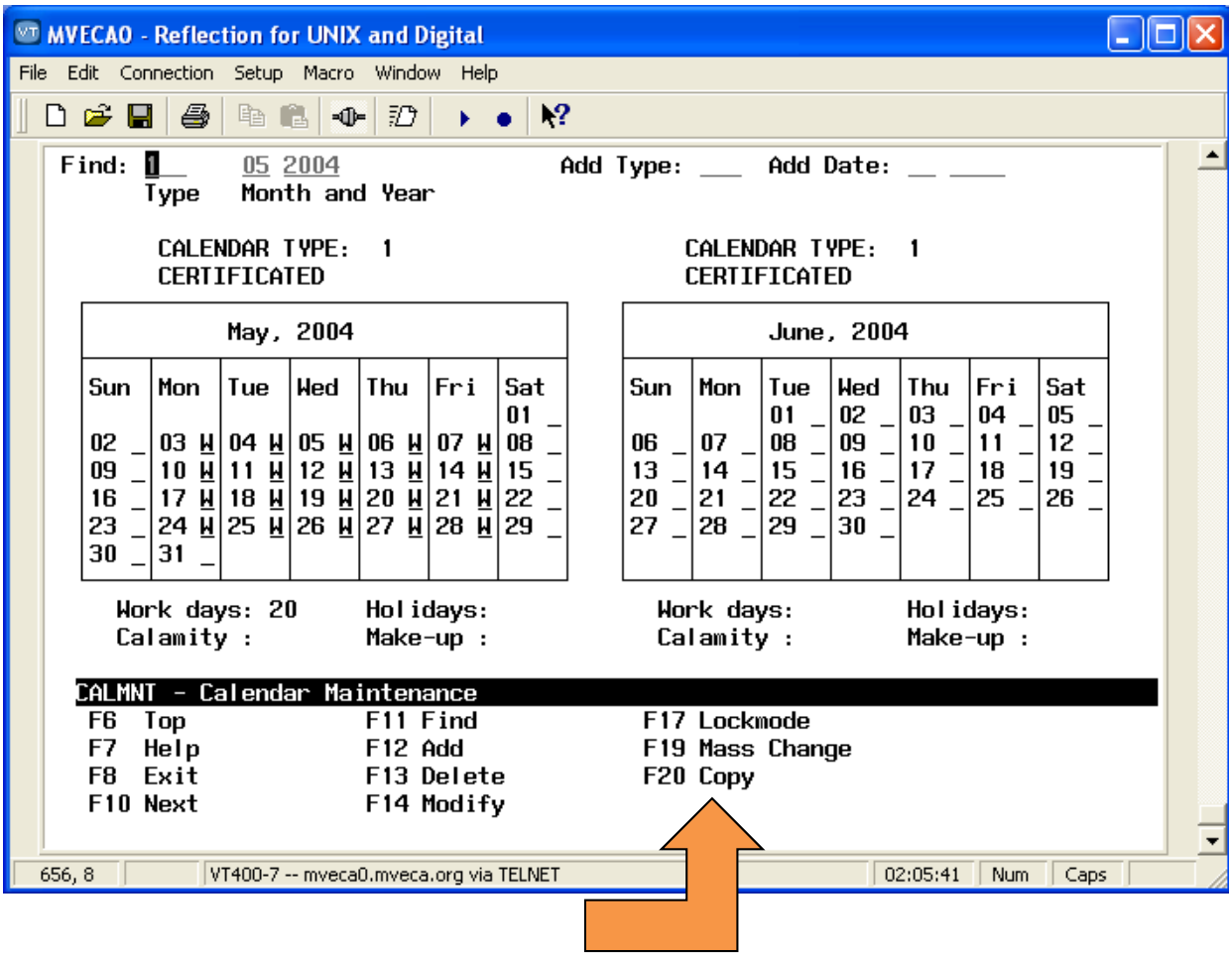
☐ **4. EMIS STAFF REPORTING**- 16L Final Staff and Course collection

- Add Long term illness
- Check EMIS attendance and absence data in demographic in USPSWEB
- MVECA can mass update HQPD with a "Y" upon request.
- RUN USPEMS/USPEMX to create a file with a snap shot of the yearend data. This file will be used only if the reporting period runs long.

☐ **5.** Run STRSAD as a PROJECTION only. At this time, verify that the correct certified staff will be included in the advance.

☐ **6.** Create calendars for the 2016-2017 school year. Use USPSDAT/ CALMNT. TIP: Create a basic calendar that would work for most employees and use the COPY command

Run LASTPY report at the end of each contract period to see the difference in gross from the next to last pay and the final pay on contract



☐ **7**. Build NEWCNTs for July 1 start dates. Purge NEWCNTs when initializing the pay that includes the contract start date.

CHANGE

- **If using NEWCNT for new employees, DO NOT add a contract amount on the job record prior to building the NEWCNT.**
- Answer "Y" to the Update JOBSCN EMIS contract fields with values from old contract
  - EMIS "L" reporting did not start on schedule which implies that it will not end as scheduled.
  - You wlll be able to use MASCHG/MASEMIS option to clear Contract Info Fields when the fy17 "L" reporting period begins

```
                    NEWCNT - Purge New Contracts
Purge Options:
 Contract start date: __/__/____          Appointment Type:   *
 Reset New Hire date: N
 Clear EMIS fields:
   Hours per day: N    Contract amount: N    Work days: N    FTE: N
 Update JOBSCN EMIS contract fields with values from old contract: N
```

Month End Closing:

☐ **8.** Run **RETIRE/SERSREG** option. Do not create a tape file at this time.

a. Verify that the total contribution amounts listed on the report equal the total deduction checks for the withholding plus any warrant checks written for pickup on pick-up.

b. Confirm that contributions equal earnings times 10%.

c. Verify the days and hours. Look for 0 value and confirm that it's correct. If necessary, adjustments can be made using **USPSCN/ATDSCN**.

d. Run **RETIRE/SERSHIRE** to create a file of any new hires to upload to eSERS. This program can be run multiple times throughout the month. SERS requires the enrollment prior to receiving contributions for the new employee. This program changes the New Employee flag no the 400 deduction from Y to R.

e. Once satisfied that the data is correct, run **RETIRE/SERSREG** again and answer YES to create the tape file to clear the totals and create the submission file called SERS.yymm. The New Employee flag on the 400 deduction will change from R to N. MVECA submits the data to SERS for most of our member districts.Complete the MEMBER CONTRIBUTIONS form on eSERS to report your payment.

☐ **9.** Run STRSMONTH to clear the month to date totals for STRS. This program, also, changes the New Employee flag on the 450 deduction from R to N.

☐ **10.** Balance the payroll account

a. Run the **CHKSTA** or **PAYREC** program to reconcile checks.

b. Run the **USPRPT/CHKSTS** program to generate an outstanding check register.

☐ **11**. Run BENACC, if applicable

Quarter End Closing:

☐ **12.** Generate the demand (option **N**) of **QRTRPT**. The report shows quarter, fiscal, and annual totals. **DO NOT** select any of the option(s) to zero totals. Below is a description of the TOTALS section that will be at the end of the QRTRPT before the totals by deduction code. The following section will help balance QRTRPT.

	QTD TOTAL	YTD TOTAL	FTD TOTAL
TOTAL GROSS	1,203,624.44	2,298,215.80	4,483,526.77
TOTAL ANNUITIES	226,569.52	422,125.60	761,013.01
NON-FED.TAX ANNU.'S	0.00	0.00	0.00
NON-CASH EARNINGS	0.00	0.00	120.00
TOTAL ADJUSTED GROSS	977,054.92	1,876,090.20	
CALCULATED ADJ GROSS	977,054.92	1,876,090.20	
DIFFERENCE IN GROSS	0.00	0.00	

1 The "TOTAL GROSS" is tallied from the **JOB** record QTD, FYTD and YTD gross fields.

2 The "TOTAL ANNUITIES" are tallied from the QTD, FYTD and YTD annuity amount fields found on the **DEDUCTION** annuity records.

3 The "NON-CASH EARNINGS" are tallied from the QTD, FYTD and YTD non-cash earnings amounts showing on the **JOB** records.

4 The "TOTAL ADJUSTED GROSS" is tallied from the TAXABLE GROSS figures on the federal **DEDUCTION** records.

The "CALCULATED ADJ GROSS" 5 = 1 - 2 + 3

If 5 does not equal 4 there will be a "DIFFERENCE IN GROSS".

Resolve DIFFERENCES IN GROSS:

Q1. Does the TOTAL GROSS equal the total of all payroll clearance amounts minus VOIDS for the time period in question?

a. If the answer to item Q1 above is 'no', an AUDRPT should be run looking for manual changes to the gross figures on JOB record. Manual changes will alter the totals showing here.
b. If the answer to item Q1 above is 'yes', then proceed to the next check point.

Q2. Do the TOTAL ANNUITIES equal the total of all annuity deduction checks written? Refunds of annuities should also be taken into consideration.

a. If the answer to item Q2 above is 'no', an AUDRPT should be run looking for manual changes to the annuity amounts in DEDUCTION record. Manual changes will alter the totals showing here.
b. If the answer to item Q2 above is 'yes', then proceed to the next check point.

Q3. Do the NON-CASH EARNINGS equal the total amounts paid to employees using the NC1 pay type?

a. If the answer to item Q3 above is 'no', an AUDRPT should be run looking for manual changes to the non-cash earnings amounts on the JOB record. Manual changes will alter the totals showing here. If a non-cash earnings pay type was missed on a payroll prior to the end of the calendar year, making a manual update to the files necessary, be sure the Non-cash earnings to-date fields on the JOB record have been updated otherwise QRTRPT will not balance to the NC1 pay types.
b. If the answer to item Q3 above is 'yes', then proceed to the next check point.

- If the answers to Q1-Q2 was 'no', the user should determine why the manual changes were made and adjust again as necessary.
- If the answer to Q1-Q3 was 'yes', then the CALCULATED ADJ GROSS figure is correct and the TOTAL ADJUSTED GROSS figure is incorrect. An AUDRPT should be run looking for manual changes to the taxable gross figures showing on the 001, deduction records. The user should determine why the manual changes were made and adjust again as necessary.

Many times, this portion of QRTRPT is out of balance due to:

- Manual changes to annuities with no corresponding change to the taxable gross figures.
- Manual changes to the taxable gross figures following a refund of an annuity amount. The software will automatically add the refunded annuity amount to the taxable gross figures.
- Once all new manual updates are made, a new QRTRPT should be run, and the balancing process started over

Additional Quarter End Checks:

```
FORM 941          QUARTERLY RETURN OF WITHHELD FEDERAL INCOME TAX

LINE 1) TOTAL EMP. COUNT PER 941 INSTRUCTIONS :         0

        TOTAL EMPLOYEES PAID IN QUARTER       :       133
LINE 2) QTD TAXABLE WAGES                     :       977,589.64    (Includes board paid Medicare/FICA =          534.72)
LINE 3) QTD FEDERAL WITHHOLDING               :       106,322.59
LINE 5A)QTD FICA Taxable Wages                :           500.00
        QTD Employees' FICA contributions     :            31.00    (Picked up by board =            0.00)
        QTD Employer's FICA contributions     :            31.00
LINE 5C)QTD Medicare Taxable Wages            :       912,863.43
        QTD Employees' Medicare contributions :        13,236.80    (Picked up by board =          534.72)
        QTD Employer's Medicare contributions :        13,236.80
LINE 11)QTD FEDERAL WITHHOLDING DEPOSITS      :       132,858.19
```

a. The amounts listed for QTD FEDERAL WITHHOLDING should equal the total of deduction checks for the quarter to the IRS for withholding of federal taxes.

b. The amounts listed as QTD EMPLOYEE MEDICARE and EMPLOYEE FICA CONTRIBUTIONS balance to the employee share deduction checks for the quarter.

c. The amounts listed as QTD EMPLOYER MEDICARE and EMPLOYER FICA CONTRIBUTIONS should balance to the warrant checks for the quarter for these deductions.

d. The QTD MEDICARE TAXABLE WAGES times 1.45% should equal the EMPLOYEES' AND EMPLOYERS' MEDICARE CONTRIBUTION amounts. Rounding of a few pennies may be taken into consideration. The employer and employee shares should be the same.

e. The QTD FICA TAXABLE WAGES times 4.2% should equal the EMPLOYEES' withholding AND 6.2% should equal the EMPLOYERS' FICA CONTRIBUTION amounts. Rounding of a few pennies may be taken into consideration. The employer and employee shares should be the same.

f. The QTD FEDERAL WITHHOLDING DEPOSITS found on QRTRPT should equal the total of all the deduction and warrant checks written to the IRS for Medicare, FICA and income tax withholdings.

g. Verify the electronic transfers of federal and Medicare payments equal the QTD FEDERAL WITHHOLDING DEPOSITS

☐ **13.** Run PAYDED to generate a non-zero deduction report. To execute this, set the 'Payment option' to A and leave the 'payment cycle' and 'deduction codes' fields blank. View and verify the DEDRPT.TXT to make sure there are no outstanding deduction amounts for employees. If there are outstanding employee amounts; process PAYDED to create the deduction transaction or add a Unicenter request for help to close the quarter with outstanding employee accums.

a. If quarterly deductions, then execute for Q cycle

☐ **14.** Balance the **W2REPT quarterly** to minimize problems at calendar year-end.

a. Run the program **W2PROC.** Check the **W2ERR.TXT** report for error.

Do not generate tape. Answer NO to the question below:
Do you want to create a W2 tape file (Y/N <Y>): N

b. Balance the deduction totals (taxes and annuities) on the **W2REPT.TXT** report with the totals from the **DEDRPT.TXTs** report from the quarter.

c. Balance the gross amounts on the **W2REPT report** with the **PAYRPT.TXTs** for the quarter. Consider voided checks and medicare pickup totals when comparing these totals.

d. If errors are discovered, check employees that had exception processing during the quarter such as voided checks, error adjustments, or manual changes in **USPSCN.** The **AUDRPT** program can be useful in identifying these problems.

e. Reconcile city taxes to check transactions for those deductions and confirm that the correct percentage is withheld.

☐ **15.** Run the **ODJFSRPT** program and generate a report only by answering "N" to a tape file.

a. Check all totals carefully for accuracy

b. If necessary, adjustments (AD OB) can be made using **USPSCN/ATDSCN.**

c. When all data is correct, run the **ODJFSRPT** program again to create a **tape** file for submission to ODJFS and QTD totals on USPSCN/DEDSCN will be cleared

☐ **16. PROCESS THE STRS ADVANCE** after all pays in June are complete.

Many STRS members have earned their entire contract before fiscal yearend; yet, they are paid through August. The purpose of the STRSAD program is to provide a file which contains the data required for the STRS' Annual Report of fiscal year contributions. For this discussion ADVANCE = ACCRUAL

The following conditions must be met for a job to advance:

Condition 1. DAYS WORKED must equal WORK DAYS by June 30.

Advancement is determined by initialized pay period dates and the job calendars. The software will calculate the WORK DAYS remaining in the month of June provided the job calendars and payroll beginning and ending dates have been input correctly. If after processing the last pay in June, DAYS WORKED do not equal WORK DAYS for the job, the job calendar is checked to determine if the number of WORK DAYS needed to fulfill the contract will be met by July 1st. If the calendar indicates that the DAYS WORKED will equal the WORK DAYS in contract by July 1st, the job will be advanced. FYI - July pays for jobs that advanced with DAYS WORKED not equal WORK DAYS will be paid as ACCrued wages that would have normally been brought into the payroll as regular wages (REG pay type). This allows for proper handling of the advance earnings and WORK DAYS for the job.

Jobs that will not be fulfilled by June 30 will not be advanced.

Condition 2. PAYS PAID must be less than # OF PAYS by June 30.

Service Credit is calculated based on the employment relationship. This is determined by counting the number of work days on the calendar from the first day school is in session (added in STRSAD) or the HIRE DATE in BIOSCN (whichever is later) and the last day school is in session (added in STRSAD) or the TERMINATION date in BIOSCN (whichever is earlier). The STRSAD program will check the employee (BIOSCN) termination date, not the job termination dates.

The following conditions determine service credit:

1. 450 deduction record FULL OR PART TIME field
2. If the employee is flagged as full-time and worked at least 120 days, then the service credit is 100% if they were paid more than the state minimum salary. If the employee is flagged as full-time and did not work 120 days, they are considered part-time. The service credit calculation is as follows (see, also, STRS Decision Tree):

- the employee worked at least 90 days and the employment relationship was in effect for 120 days and the total compensation is equal or greater than the state minimum, the service credit is 100%.
- If the employee worked at least 90 days, but the employment relationship was not in effect for 120 days, the service credit is total days divided by 180.
- If the employee did not work 90 days, the service credit is total days divided by 180.
- If the employee worked at least 90 days and the employment relationship was in effect for 120 days and the total compensation is not equal to or greater than the state minimum, the service credit is the greater of the following two calculations:
  total compensation divided by state minimum salary
  total days divided by 180

Steps to process the advance:

a. If a job will be docked in July or August, put the full amount of dock in the DOCK NEXT PAY field in JOBSCN while processing STRSAD. This will calculate the advance contributions correctly. Leave this amount in until the STRSAD is complete.

b. If there are contracts that will be paid off early, change the number of pays before processing STRSAD. Update the per pay amount if the final pay should be the pay off amount.

c. Run **RPTSUM** to see the current count for all work days. Add the days that remain to be initialized before 6/30/15. If WORK DAYS will not equal DAYS WORKED, corrections can be made before the last payroll. Add a Unicenter ticket for help.

d. Verify the status of the part-time/full -time fields on the 450 deduction records. **Employees flagged, as full-time must have at least 120 service days to be granted a full service**

credit toward retirement. Employees who do not fulfill these requirements will be granted a percentage of a year's service credit as described by the STRS Employer's Manual.

e. Run the **STRSAD** program and select the projection only (**option 1**). This option can be run as many times as needed. The program produces three reports: **STRSAD.TXT, STRSAD.RPT,** and **NONADV.TXT.**

- **STRSAD.TXT -** lists all advanced jobs and totals advanced amount
- **STRSAD.RPT -** complete fiscal year end report for all STRS members.
- **NONADV.**TXT - lists all members that will have earnings in July.

f. Check each employee service credit and FYTD totals.

g. At the bottom of the report, there is an amount labeled Total Taxed + Non-Taxed. The amount shown should equal the amount deposited with STRS during the fiscal year plus the amount of accrued contributions.

h. Verify that someone that should advance is not listed on the NONADV.TXT.

i. Once the data has been verified for the advance, run the **STRSAD** program again, this time selecting option 2. This option creates the tape file called STRSAD.yy06 that will be submitted to STRS **.** Option 2 also flags eligible jobs as in advance mode until the last payment in the contract has been paid. At that time the advance flag is turned off and the job is no longer considered in advance mode. Final versions of the STRSAD.TXT, STRSAD.RPT and NONADV.TXT reports are archived and placed on the payrollCD webpage.

NOTE: If a DOCK NEXT PAY was added to JOBSCN, contact fiscal to modify the job to remove the amount.

☐ **17**. Execute **ANNSTRSSND** from the Menu prompt

District will submit annual report to STRS

- Will prompt for STRS Employer ID
- On screen display will indicate when transfer is complete
- STRS will receive email notification of the file
- **Due by August 12, 2016** however STRS would prefer to have it submitted once it's created.

QUARTER END CLOSING COMPLETION

☐ **18**. Run the **SURCHG** program, if desired. This program is designed to give an estimate of the SERS surcharge calculations. The surcharge minimum compensation amount is $23,000. SURCHG will not recalculate the 2% district SERS payroll maximum. Type SURCHG at the Menu>

☐

19. Optional for GAAP- After all leave through June 30 is posted, execute USPS_4GAAP. Produces a USPS_4GAAP.CSV spreadsheet for GAAP Auditors.

Menu>usps_4gaap

☐ **20**. Generate and archive any district reports. The following reports are part of the fiscal yearend PAYROLLCD:

- **USPRPT/EMPMST**
- **ERNREG**
- **QRTRPT**
- **BENOBL/BENEMP**
- **CHKSTS**
- **BIRTHHIRE**

Fiscal Yearend Closing

VERY IMPORTANT!!!.

☐ **21**. Run **USPSBACKUP** this backs up the payroll files for the fiscal year!

☐ **22.** Run **BENACC** to reset, pay or convert personal leave days (optional)

☐ **23.** Generate reports for GAAP

- **WAGOBL**
  - The contract obligation, amount paid, and amount earned comes from USPSCN/JOBSCN. The amount docked is the amount docked + dock next pay amount from USPSCN/JOBSCN.
  - The contract remaining = contract obligation - amount paid.
  - Accrued wages = (Days remaining * daily rate) + accrued wages from JOBSCN. The daily rate is from JOBSCN. Days remaining is a little more complicated. To get the days remaining the job calendars are read to determine how many work days (including holidays) remain from the period ending date of the last payroll until the date entered when *WAGOBL*/WAGEMP is ran (default is 6/30 of current fiscal year).
  - **BENOBL – NOTE:** Post leave for June using BENACC before running BENOBL

☐ **24. Run <u>USPAUDIT to send payroll files to the auditor</u>.**

☐ **25**. Optional/Recommended - Run AUDRPT choosing the O-Official option. AUDRPT.TXT will list all changes since the last Official run and will flag the changes so they will not be included on any subsequent Official runs. AUDRPT is, automatically, created for PAYROLLCD each month.

☐ **26**. Run the **QRTRPT** program again, this time clearing all data for the quarter and the fiscal year. (**Option F)** ***<u>IMPORTANT STEP...BE SURE DO THIS!!!</u>***

☐ **27.** To insure the data cleared correctly, run the **QRTPRT** program again (option N) and ***<u>verify</u>*** that the fiscal year to date totals on the report are **ZERO**.

☐ ***28. Run CHGDED for the STRS deduction records for the increase to 14%***

a. The new rate applies to all new earnings for the new fiscal year. STRSAD Actual flags all accrued wages and determines contributions based on the old rate.

b. See the STRS PICKUP ON PICKUP DEDUCTION RATE CALCULATOR and/or STRS DEDUCTION RATES FOR PICKUP ON PICKUP_FY17 document to determine the value needed in the 450, 591, and 691 deductions for staff with pickup on pickup with extra compensation.

c. If earnings from the previous fiscal year need to be paid in the new fiscal year, the STRS contribution must be at the old rate. Deductions by job are required for these earnings. The contributions will be listed on the STRSREG and sent to STRS on the per pay file. They must be back-posted

once reported to STRS. Clear the FTD totals from the 450, 591, and 691 for this job to exclude them from the fy17 annual report. See MVECA STRS Scenarios document

POST FISCAL YEAR END CLOSING

IMPORTANT: RESTRICTIONS DURING THE ADVANCE

Non-Modifiable Fields While in Advance Mode

The following fields found in USPSCN/JOBSCN cannot be modified while the job is in advance mode.

USPSCN/JOBSCN 1 of 3

- Contract start
- Contact stop
- Job status
- Pay plan
- Retirement code

USPSCN/JOBSCN 2 of 3

- Obligation
- Amount
- Amount paid
- Amount due
- Amount earned
- Amount docked
- Equal pays flag
- Hours per day
- Pay unit
- Pay per period
- Unit amount
- Number of pays
- Number of pays paid
- Work days
- Days worked

Processing Additional Pay Types on Advanced Jobs

The following Pay Types can be processed on a job that is in the advance mode using USPSCN/UPDCAL_*.

- MIS - miscellaneous pay
- DCK - dock pay
- OT - overtime pay
- SHP - shift premium
- TRM - termination pay
- POF - pay off of total accrued wages
- NC1 - non-cash life insurance premium
- BCK - retro pay

If the DCK (dock) Pay Type is used on a job in the advance mode, a warning will be issued indicating that the advance calculations will be off for this job. Notify STRS that the annual report needs to be amended for this member.

If the BCK pay type is being added in UPDCAL after running the actual option of STRSAD, doing so may cause the advance calculations to be out of balance when all jobs are out of the advance mode. In this instance, if the district wishes the BCK amount to be applied to the current contract, the warning can be ignored and corrections will need to be filed with STRS for this employee or employees as needed. If the BCK amount should not be applied to the current contract, the BCK type should be removed from UPDCAL.

If the TRM (termination) Pay Type is used on a job in the advance mode, it must have a number of Units entered, in order for the system to calculate the pay off amount for the job.

Using the POF (pay off total accrued wages) Pay Type may cause the payback to be off by a few pennies. The STRS Advance Flag will be turned off on the job record after the CHKUPD program is executed successfully.

The following Pay Types cannot be processed on a job in the advance mode.

- REG - regular wages
- IRR - irregular pay

These Pay Types affect the contract amount for the job and are considered new earnings. A new job would have to be set up for these Pay Types.

GENERATE AFTER EACH PAYROLL DURING THE ADVANCE

After EACH payroll generate and save the **CHKSTRS**. This report will assist in finding errors if the advance does not end with a zero amount in USPCON after the final pay. If any differences they should be reported to STRS as a prior fiscal year end correction if necessary.

IMPORTANT – VERIFY/FOLLOW-UP FOR STRS AFTER FINAL PAY OF THE ADVANCE

Verify in the USPSDAT/USPCON the amount on the 2nd screen is zero and the advanced "*" is gone.

Payroll Processing:
STRS Advance Mode : *
STRS Advance Amount : .01

Do not AUTOPOST any July payrolls until USAS has closed for FY2016.