


OFFICE OF THE TREASURER AND CHIEF FINANCIAL OFFICER

TO: Chief Business Officers

FROM: Ron Maples 

DATE: April 15, 2016

SUBJECT: Year-end Closing Procedures and Schedules

Enclosed is the schedule for processing year-end Treasurer's Office documents for June 30, 2016. This schedule is provided for your information and guidance as you schedule the year-end activities in your areas of responsibility. A pull-off reminder schedule is included as the last page of this document for your convenience. Please remember that our objective is to record all revenues, disbursements and encumbrances in the proper fiscal year.

Payroll Office

All salary or additional/overtime pay to be charged to FY 2016 must be paid through the normal payroll cycles prior to July 1, 2016. Personnel Information Forms (PIF's) and pay adjustment forms to be reflected on the June monthly payroll must be received in the Campus HR/Payroll Office by Wednesday, June 15. PIF's for the biweekly pay period ending June 26 are due Wednesday, June 22.

To be included in the current fiscal year, send payroll checks to be cancelled and salary transfer vouchers to the University Payroll Office by noon Friday, June 17. Longevity paid in June includes both May and June longevity. The Controller's Office will record wages and benefits in period 12 for the June earnings of the biweeklies paid on July 5th and 19th and amounts owed to 9-month employees paid over 12 months.

Effort Certification

A final FY2016 payroll will be run on Tuesday, July 5, 2016 to process June ECR's and salary transfers.

Cash Receipts

Funds must be recorded in the fiscal year they are received. Funds received in University offices prior to the close of business on June 30 must be deposited on separate bank deposit slips and forwarded with a separate Report of Collections (ZK document) dated June 30, 2016, to be received in the Campus Cashier's Office (Bursar) no later than Wednesday, July 6, 2016 by 9:00 a.m., preferably earlier. Funds received in University offices beginning July 1 and later will be deposited to fiscal year 2017. It is critical that separate bank deposit slips and Report of Collections (ZK document) be processed for funds received after July 1, 2016.

Accounts Receivable

Please remember to ask all of your departments to register any accounts receivable with your office. Please instruct all departments in how to handle outstanding June 30 accounts receivable balances at year end, regardless of whether the department has an existing receivable account in IRIS. Also, please remind all departments of the requirements for writing off accounts receivable. All write off requests must be received in the Controller's Office by July 12.

Accounts Payable Office

Invoices Entered by Departments: All items that are to be charged to fiscal year 2016 must be entered and approved by midnight on July 12, 2016. The “Posting Date” field on the “Enter Vendor Invoice” screen **must be changed to 06/30/2016** for items entered into IRIS after June 30, 2016 that are to be charged to fiscal year 2016. Items entered on or after July 1, 2016, will be charged to the new fiscal year if this posting date is not changed to 06/30/2016. The screen below identifies the correct field to change.

[illegible]

During the fiscal year transition, a department may occasionally encounter date restrictions for invoicing against purchase order commitments. The general rule is that a commitment and the liquidation of that commitment must be in the same fiscal year, so that FY2017 invoice cannot be entered against an FY2016 purchase order (PO) until the PO has been carried forward into FY2017. The department can either change the *Posting Date* of the invoice to 06/30/2016 (to post into FY2016) or hold the invoice until the commitment has been carried forward. Conversely, an FY2016 invoice cannot be entered against an FY2017 PO. The posting date on the invoice must be changed so that it will post to FY2017 as well.

Items Entered by the Treasurer's Office Accounts Payable Office: All travel related invoices, invoices in foreign currencies and other disbursement items normally sent to the Treasurer's Office for processing must be received in the Treasurer's Office (TO) by the close of the third working day in July, which is Wednesday, July 6th. The final processing of these documents will be the seventh working day of July, or Tuesday, July 12th.

Items Routed to and approved by Campus Business Offices/TO Accounts Payable Office: All items reviewed and approved by Campus Business Offices and/or the TO Accounts Payable Office (85xxxxxxx contract invoices, miscellaneous reimbursements, T-27 without contracts, etc.) must be in their IRIS inboxes by the close of the third working day in July, which is Wednesday, July 6th. The final processing of these documents will be the seventh working day of July, or Tuesday, July 12th.

Procurement Cards: The June cutoff date for purchases made by departmental procurement cards will be June 27, 2016. Purchases made near to or on June 27 are not guaranteed to be posted to June. The final date to distribute charges through the procurement card system for the June purchases will be July 12, 2016. The procurement card default account will be charged for all purchases if you are unable to access the procurement card system and distribute and approve the charges by that date. Procurement card purchases made on June 28 - 30 will be charged to the new fiscal year.

Petty Cash: Petty cash funds should be reconciled frequently to ensure that the cash on hand and expenditure receipts equal the amount of the petty cash fund. In addition, the fund must be reconciled at the end of each fiscal year (June 30). Departments will receive a letter, reconciliation forms, and instructions at year end. The forms need to be completed with attached copies of vouchers in transit, bank account statement, and any other information pertaining to the reconciliation. To avoid suspension or fund closure, please submit these forms, to the Treasurer's Office by July 12th. Petty cash funds are subject to audit by university and state auditors.

Travel: Any travel ending July 1, 2016 or later will be charged to FY2017.

Chief Business Officers should arrange for frequent submission of items ready for processing and immediately initiate procedures to obtain proper resolution and disposition of "problem items".

Undelivered Checks

Undelivered Checks that will be more than twenty-one (21) days old at June 30 should be returned to the Treasurer's Office with the returned envelope. These checks should reach the office indicated below no later than Monday, June 15, 2016, by noon.

Payroll Checks: Must be returned to the Payroll Office, Room P115, Andy Holt Tower.

Voucher Checks: Must be returned to the Accounts Payable Office, 301 Andy Holt Tower.

Miscellaneous Checks: All financial aid checks and other miscellaneous checks must be returned to the Accounts Payable Office, 301 Andy Holt Tower.

Controller's Office

The schedule established for the various stages of the year-end closing process by the Controller's Office is as follows:

1. Departments may run an "interim" ledger for June 30th at the close of business on Friday, July 1 using IRIS transaction ZDEPT_LEDGER.

The interim ledger will include:

- (a) Invoices which have been entered through Thursday, June 30.
- (b) Interfaces which have been processed through Thursday, June 30.
- (c) Regular internal transfer documents (ZDs) which have been processed through Thursday, June 30.
- (d) SA documents which have been processed through Thursday, June 30.
- (e) Salary transfer vouchers received by Wednesday, June 15 will be included in this report.
- (f) Payroll vouchers including the biweekly payroll for the pay period ending June 12, paid on June 21.
- (g) Cash receipts (ZK documents) to the extent they have been accepted for posting. This should include all ZKs except for June 29th & 30th.
- (h) Interim F&A and settlement as of the June monthly payroll posting.

The "interim" ledgers should be reviewed so that any necessary corrections and/or adjustments can be processed in time to be reflected in accounting period twelve.

2. July 2016, period 13 and period 01 of FY2017, will be opened June 25 for purchasing and financial transactions. New year items in hand should not be processed in IRIS until this date.
3. The Accounts Payable office will delete or carry forward all remaining financial payment documents (KN's, RN's, ZU's etc.) on July 13th.

4. **Any FY2016 parked internal transfers (ZD documents) still on hand at July 13 will be deleted.**
5. The accounting close for the month of June (period 12) is scheduled for the fifteenth working day of July, or Friday, July 22.

Departments may print final June 30, period 12 monthly ledgers and reports when notified by the Controller's Office. These ledgers will include all regular June (period twelve) transactions for the fiscal year that were generated by invoices, payrolls (including accruals), salary transfers, cash receipts, and all purchasing activity. Internal transfers and journal entries will be included to the extent that they are processed through the Treasurer's Office by Tuesday, July 12.

Accounting period 13 is designed for final adjusting and closing entries only. Regular business transactions should be completed by the close of period 12.

5. After the close of June, period 12, only corrections, adjustments, closing transfers and journal entries will be accepted for processing against the current fiscal year records. "Current Unrestricted Funds Balance Sheet", Schedule A-10.1 (formerly known as Schedule "K") can be run any time by the CBO's to assist in closing (IRIS transaction ZFMTR028.)
6. Additional possible accounts payable will be identified and sent to each CBO for confirmation. Restricted payables and unrestricted payables will be sent on or before July 25, 2016.
7. All journal entries affecting restricted accounts should be received in the Controller's Office by Tuesday, July 28. Indirect cost adjustments must be received by Tuesday, July 28. The final automated overhead run will be entered on Friday, August 7 closing restricted accounts.
8. All closing entries for salary and staff benefits including accruals must be received in the Controller's Office by Friday, July 29. After this date no journal entries with salary or wage GL accounts will be processed for fiscal year 2016. All closing entries for expense and income accounts (including auxiliaries) must be received in the Controller's Office by Friday, August 5. The Controller's Office will attempt the final closing of this year's records by Wednesday, August 17. The final ledgers and reports for the year may be printed upon notice from the Controller.

Please contact the Controller's Office immediately at (865) 974-2493 if unusual needs or situations arise which require special handling or consideration and materially impact financial information.

Office of Audit and Consulting Services

As part of the year end close process, the Office of Audit and Consulting Services will select a sample of physical inventories to observe at VolShop locations.

Outstanding Encumbrances

May 13th is the deadline for requisitions and supporting documentation to be submitted to Purchasing. This deadline must be met for purchase orders to encumber funds by June 30th.

Due to historical and expected volume this year-end, departments are encouraged to submit all procurement requests (NCJ's - both contract and requisition, requisitions and all supporting documentation) as soon as possible. Beginning on May 13th, all requests will be processed in the order received and rush or expedite requests will need to be supported with justification and subject to Purchasing approval.

During the first two weeks of June, all departments must review their purchase requisitions and purchase orders that have an outstanding balance in FY 2016, with special attention to those originally dated prior to 07/01/2016. The Commitments Line Items report FMRP_RFFMEP10X can be run with the selection variant/OUTST.PO.REQ and a Fund or Funds center selection; it lists all active purchase requisitions and orders (not all will have a balance), with opportunity to drill down to the original documents. After the department identifies obsolete requisitions and orders (those for goods or services they do not intend to receive or have already received), they must contact their campus purchasing office to close (**not** delete) the documents and notify the vendors. All commitments not closed by departmental action in FY2016 will be carried forward to FY2017; there is **no** automatic "clean-up" of commitments at year-end.

Requisitions entered prior to June 30 for the purchase of goods or services to be delivered after June 30 must show delivery dates on or after July 1. Delivery date can be changed via transaction ME52N if needed. Requisitions initially encumber current fiscal year funds, but are carried forward to the new fiscal year on July 1.

New purchase orders entered prior to June 30 for goods or services to be delivered after June 30 must be entered with **document** dates on or after July 1, so they will encumber next fiscal year's funds. The document date cannot be changed subsequently. All PO's are carried forward to the new fiscal year right after the deadline for entering old fiscal year invoices.

Encumbrances for departmental funds reservations are carried forward on the same day as PO's. Encumbrances for all outstanding business trips are carried forward on July 1; the Accounts Payable office will correct for those paid in the old fiscal year.

Reserve for Encumbrances

The Reserve for Encumbrances represents an allocation of the current fund balance equal to material outstanding purchase orders as of June 30. The only purchase orders that should be outstanding at June 30 are those for which funds are available in departmental budgets at year-end.

The purchase order file, after final June 30 checks have been de-obligated, will be the initial basis for the Reserve for Encumbrances. Each business officer should generate and review their outstanding purchase order list for each budget entity. After eliminating amounts representing purchase order payments which are accrued as accounts payable, the remaining purchase orders in

the amount of \$2,000 or more will be used to establish the Reserve for Encumbrances. CBO's will continue to have the option to add purchase orders less than \$2,000 to the reserve by sending an itemized list to the Treasurer's Office. At the beginning of the new fiscal year, each budget entity will have the responsibility for initiating a Request for Budget Revision (Form T-15) charging the appropriate fund balance account to record increases in the appropriate departmental budgets for items included in the Reserve for Encumbrances. The Controller's Office will eliminate the Reserve for Encumbrances and increase the budget entities' fund balances at the beginning of the new fiscal year.

Closing Remarks

In view of the volume and diversity of transactions which must be processed and recorded during the closing process, it is essential that all Business Offices cooperate fully in the timely submission of closing information.

Please distribute this memorandum to all business personnel in your area who are involved in the year-end closing process in order that they may be aware of the target dates which have been established for the various stages of the closing process. Thank you for your cooperation.

JRM:dt

Attachment

**TREASURER'S OFFICE
SCHEDULE OF YEAR END ACTIVITIES
FOR YEAR ENDING JUNE 30, 2016**

<u>DATE</u>	<u>ACTIVITY</u>
May 13	<ul style="list-style-type: none"> - Deadline for requisitions and supporting documentation to be submitted to Purchasing for purchase orders to encumber funds by fiscal year-end - FY2017 will be opened for purchasing transactions (FM Period)
June 15	<ul style="list-style-type: none"> - Deadline for June monthly payroll forms - Deadline for salary transfer vouchers - Deadline for payroll checks to be canceled to be returned to Payroll - Deadline for all undelivered checks (over 21 days old) to be returned to the Treasurer's
June 21	<ul style="list-style-type: none"> - 25th bi-weekly payroll paid - As soon as monthly payroll posts, run interim F&A and settlement
June 22	<ul style="list-style-type: none"> - Deadline for FY's 26th bi-weekly payroll forms
June 25	<ul style="list-style-type: none"> - Period 01 (FY2017) will be opened for financial transactions. - Deadline for departmental procurement card purchases to post to period 12
June 26	<ul style="list-style-type: none"> - 26th bi-weekly payroll period ends
June 30	<ul style="list-style-type: none"> - June monthly payroll paid
July 1	<ul style="list-style-type: none"> - Deadline for departments to enter ECR's and STV's
July 5	<ul style="list-style-type: none"> - Run extra payroll to include June ECR's and STV's (Final FY 2016 payroll posting)
July 6	<ul style="list-style-type: none"> - Deadline for all disbursement vouchers, T-27s and transfer vouchers to be included in FY 2016 must be received in the Treasurer's Office - Deadline for cash receipts to be parked by departments and received in Bursar's Office
July 12	<ul style="list-style-type: none"> - Deadline for cash receipts to be credited by Campus Cashiers (Bursar's Office) to FY 2016 - Deadline for accounts receivable Write-off requests (T-35's) - Final processing of invoices and transfer vouchers for FY 2016 - Deadline for distribution of charges on procurement card system - Deadline for processing journal entries that will appear on the period 12 ledgers - Deadline for petty cash reconciliation reports
July 13	<ul style="list-style-type: none"> - Parked FY 2016 documents deleted
July 15	<ul style="list-style-type: none"> - June accounting period (period 12) is closed for document entry
July 19	<ul style="list-style-type: none"> - Final payroll accrual for bi-weekly
July 22	<ul style="list-style-type: none"> - Period 12 Treasurer's Report and ledgers may be printed following IRIS announcement
July 29	<ul style="list-style-type: none"> - All loan fund activities should be closed - Deadline for receiving journal entries that affect restricted accounts - Deadline for receiving F&A (indirect cost) adjustments - Deadline for receiving salary and staff benefit closing entries, including accruals
August 5	<ul style="list-style-type: none"> - Deadline for receiving remaining final unrestricted expense and income journal entries
August 11	<ul style="list-style-type: none"> - Final campus fund balance adjustments must be received
August 17	<ul style="list-style-type: none"> - Final close for FY 2016