

2008/09 FISCAL CLOSING



Presented by
Accounting Services

AGENDA

- Review the Closing Process
- Review Dates and Processes
- General Questions
- Demo the Fiscal Closing Worksheet

WHY CLOSE?

- To enable preparation of UC annual financial statements and financial audit.
- To ensure all transactions are reported under the correct FAU.
- To ensure transactions accurately represent the ending fiscal year's activity.
- To prepare for the new fiscal year.



SAS112 Awareness

- Please review the SAS 112 presentations at <http://accounting.ucr.edu/>
 - ✓ SAS 112 Awareness-General
 - ✓ SAS 112 Awareness-Hybrid
 - ✓ SAS 112 Awareness-Sponsored Project -Focus
 - ✓ SAS 112 Department Controls - A133
 - ✓ SAS 112 Department Controls - General

SAS112 Awareness

- Document and retain evidence of
 - ✓ Ledger Reconciliations
 - ✓ Review of DOPE
 - ✓ Criteria and methodology for allocation of costs or revenue among multiple FAUs.
- Other actions;
 - ✓ Timely review of PAN notices
 - ✓ Timely verification of equipment inventory
 - ✓ Timely deposits
 - ✓ Timely UCRFS/PPS cost transfers
- Evidence of action includes identifying who prepared or certified, who reviewed and dates of those actions

Reconcile/Certify LRSS

- Ledgers are Reconciled and Certified

Period	Reconcile	Certify
April	5/31/2009	6/15/2009
May	6/25/2009	7/03/2009
June-Prelim	7/31/2009	8/15/2009
June-Final	8/25/2009	8/31/2009

- ✓ Refer to <http://cnc.ucr.edu/lrсс/> for additional assistance and information

Evidence of Ledger Recon - Example

Report ID: DETPFR V10.10W
 FINANCIAL TRANSACTION DETAIL REPORT
 Page No. 1
 Run Time: 02:57:23

Parameters:
 Business Unit: UCR
 Fiscal Year: 2008
 Accounting Period: 9
 Activity: 00100
 Function: ALL
 Fund Code: ALL
 Account: ALL
 Description Type: Journal Line

ORGANIZATIONAL STRUCTURE
 ORG19 - Vice Chancellor-Administration
 CIV19 - Business & Financial Services
 D0100 - Accounting
 A0104 - ACCOUNTING
 Fund 1990 - GENERAL FUNDS
 Function 72 - Institutional Support

ACCOUNT DESCRIPTION	JRNL REF	DATE	AMOUNT	DEBIT	CREDIT	SOURCE	DEBIT	CREDIT	ENCUMBRANCE	BALANCE
FUNCTION 72 - Institutional Support - ACTIVITY A0104 - Accounting - FUND 1990 - GENERAL FUNDS SUMMARY REPORT										
FACULT - EL. FACILITIES			177,255.00	145,875.11	31,379.89				0.00	31,379.89
ISM - EL. GENERAL SUPPLIES & SERVICES			139,200.00	289,821.02	-150,621.02				0.00	-15,246.24
STBM - EL. BENEFITS - STAFF			311,084.78	327,379.49	-16,294.71				0.00	-16,294.71
TOTAL - EL. STAFF SALARIES			1,681,463.98	1,139,324.76	542,139.22				0.00	542,139.22
UNALC - EL. UNALLOCATED			60,427.38	0.00	60,427.38				0.00	60,427.38
TOTAL FOR:			2,248,431.14	1,746,100.36	499,520.78				0.00	499,520.78
FUNCTION 72 - Institutional Support - ACTIVITY A0104 - Accounting - FUND 1990 - GENERAL FUNDS SUMMARY REPORT										
B021 - NC - Resp. Acad. Impl. Var. Accrual			0.00	0.00	0.00				0.00	0.00
Orig. Period Balance Forward			0.00	0.00	0.00				0.00	0.00
Current Period Activity			0.00	0.00	0.00				0.00	0.00
TOTAL B021 - NC - Resp. Acad. Impl. Var. Accrual			0.00	0.00	0.00				0.00	0.00
B025 - NC - Staff Appointments										
PLIN PAID Balance Forward			1,576,413.38	1,000,296.24	576,117.14				0.00	576,117.14
0010 ACCUMULATED SALARIES		03/31/08		139,437.27						
0010 ACCUMULATED SALARIES		03/31/08		1,370.00						
0010 ACCUMULATED SALARIES		02/21/08		1,472.54						
Current Period Activity			0.00	136,259.81					0.00	136,259.81
TOTAL B025 - NC - Staff Appointments			1,576,413.38	1,136,862.32	576,117.14				0.00	576,117.14

Organization Year End Certification

- UCOP requires each Dean and Vice Chancellor to provide written certification to the Chancellor as to the financial integrity of their college or division.
- The Chancellor must certify to UCOP as to the financial integrity of UCR as a whole.
- Accruals and Deferrals must be assessed and recorded.
 - ✓ July and August transactions must be reviewed for potential impact to FY 2008/09 financial status
 - ✓ Contact Accounting for clarification or questions.

Accrual and Deferrals

- The accrual basis of Accounting is the method of recognizing income when earned and expenses when incurred regardless of when the actual cash is received or disbursed.
- UCR (and UC as a whole) annually reports its financial activity on an accrual basis.

When is an Accrual Necessary?

- When goods or services, including payroll and travel, are received but not paid on or before June 30.
 - ✓ Travel in June, reimbursed in July
- When goods or services are provided but payment is not received on or before June 30.
 - ✓ Printing services provided in June, paid in July

When is a Deferral Necessary?

- When goods or services, including travel, have been paid but not received on or before June 30.
 - ✓ Airline ticket purchased 6/15 for travel 8/30
- When payment for goods or services have been received but will not be provided on or before June 30.
 - ✓ Event fees received 6/15 for event on 7/15

Why be concerned about Accruals and Deferrals?

- In order to accurately represent the true cost of operating the University in a fiscal year, only appropriate expenditures and income should be reported on the ledgers.
- An accrual/deferral should be reported when a department transaction, revenue or expenditure is equal to or greater than \$10,000.

How do Accruals/Deferrals appear on the Ledgers?

- Accruals/deferrals will appear in the Expenditure column on the ledger with a source code = ACL.
- In the new fiscal year the same entry will appear with the reverse sign.
- The new fiscal year transaction will offset the actual payment or revenue received.
 - ✓ Expense Accrual reversal will appear as a credit
 - ✓ Income Deferral reversal will appear as a debit

Accrual/Deferral Materiality Levels

- FY2009 transactions that were not recorded in the June Preliminary Ledger and meeting the materiality thresholds below will be accrued/deferred by Accounting.
- Materiality thresholds are;
 - ✓ \$ 10,000 or more through July 10
 - ✓ \$ 25,000 or more 7/11 - 7/17
 - ✓ \$ 50,000 or more 7/18 - 7/24
 - ✓ \$ 75,000 or more 7/25 - 7/31
 - ✓ \$100,000 or more 8/01 - 9/15

- For Sales & Service and Auxiliary Enterprise Activities, the threshold level for an accrual/deferral is based on the operation's gross revenue, both internal and external
 - ✓ \$1,000 when combined gross revenues range from \$5,000 up to \$50,000.
 - ✓ \$2,500 when combined gross revenues range from \$50,000 and up to \$250,000
 - ✓ \$5,000 when combined gross revenues are greater than \$250,000

Submission of Accruals & Deferrals

- FY 2008/09 Accrual/Deferral Template
 - ✓ [Http://www.accounting.ucr.edu/general.htm](http://www.accounting.ucr.edu/general.htm)
- Multiple worksheets
 - ✓ Accrue External Income
 - ✓ Accrue Internal/Recharge Income
 - ✓ Accrue Expense
 - ✓ Defer Income
 - ✓ Pre-Paid Expenses
 - ✓ Inventory

Accrual/Deferral Workbook

- Each Accrual/Deferral Sheet must contain;
 - ✓ Preparer's name and extension
 - ✓ Approver name
 - ✓ Date submitted
 - ✓ Requests without the above will be returned
- Please contact Accounting for clarification or questions regarding accruals or deferral

Financial System Updated

- Feeder files must be available at 7:30pm for posting to UCRFS
- UCRFS is updated nightly at 8:00pm
- UCRFStotals is updated after the UCRFS update
- Financial Transaction Detail Reports
 - ✓ Posted weekly beginning Monday Jun 16 - Jul 9
 - ✓ Transactions posted are as of 8:00pm the preceding Saturday, except for the July 9 posting
 - ✓ UCRFS_USER notice will be sent when available
- UCRFS_USER notice will be sent in early August when Final FY 2008/09 reports are available.

Encumbrances

- Encumbrance adjustments must be initiated on or before June 30.
- Use the Encumbrance Tools on R'Space
 - ✓ In the Tools box;
 - Encumbrance Tools & Tips
 - UCRFS Online Reports Page
 - Encumbrance Helper Reports

Cost Transfers

- Thoroughly review ledgers now
- Clear funds with deficit balances
- July 6 - Complete cost transfer adjustments
- All requests for adjustments to FY2009 transactions received after July 6 will be subject to:
 - ✓ ORG CFAO approval
 - ✓ Extensive review by Accounting and APB

➤ May 15

- ✓ Interlocation Transfer of Funds
 - Date applies to all UC campuses
 - Contact providing campus now if expecting ITF
 - After May 15, ITFs will be processed in July or August
 - ITFs not posted to May ledgers will not be recorded until July or August
- ✓ Identify/Process NIH Salary Cap PPS Adjustments

Review of YE Due Dates

➤ May 18

- ✓ Equipment Orders
 - Does not apply to contracts, grants or other funds that have expiration dates after June 30, 2008
- ✓ PO Blankets
- ✓ Supply/Services Orders > \$50,000
- ✓ Review Feeder System FAUs and correct

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- **May 29**
 - ✓ Carryforward of Lapsing and Chancellorial Funds
- **May 31**
 - ✓ Process all permanent BEAs for 2008/09
- **June 01**
 - ✓ Annual Equipment certifications or bi-annual physical inventories completed and marked

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FY2009 Fiscal Closing

- **June 15**
 - ✓ FTD Reports Available - Transactions thru 6/13/2009
 - ✓ Supply Orders <\$50,000
 - Final day for FY 2008/09 appropriations
 - Valid PO must be issued on/before June 30 to be a bona fide encumbrance
- **June 19**
 - ✓ Check requests; Form 5, Entertainment
 - ✓ Vendor invoices
 - ✓ ProCard Use Tax Corrections thru June 18
 - ✓ Travel Expense Reports

Due to Accounts Payable to ensure posting to ledgers by July 2

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FY2009 Fiscal Closing

- June 22
 - ✓ FTD Reports Available - Transactions thru 6/20/2009
- June 23
 - ✓ Petty Cash Reimbursement requests to Cashiers
- June 24
 - ✓ Verify NIH Salary Cap PPS Adjustments
- June 25
 - ✓ PPS Database Changes for June MO Payroll

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- June 26
 - ✓ Cash deposits by noon
 - Ensures recording in June ledger
 - Continue to prepare and deposit receipts
 - ✓ Feeder Journals to Post
 - Source codes; STH,DMG,PHP,PNR,MRC,MSV,FLT,MDR,MSG,WRC
 - ✓ Non-Payroll Intercampus Recharges
 - ✓ Paper Non Payroll Expense Transfers

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➤ June 29

- ✓ FTD Reports Available - Transactions thru 6/27/2009
- ✓ Payroll expenditure transfers for FY 2008/09
 - Use pay cycle code MA, pay end date "06/30/09"
- ✓ PPS entries for the June MA pay cycle

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➤ June 30

- ✓ Addition/Reduction to Encumbrances
- ✓ Balance Staffing
- ✓ Construction and Repair Workorders
- ✓ DAPO Orders
 - Must be marked "Encumber" or "OK to Pay"
 - Complete Change orders to Existing DAPOs
- ✓ Encumbrance Releases using PORECON
- ✓ Fleet Work Orders
- ✓ Mail Work Orders

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- ✓ Submit PAMIS BEAs
- ✓ Printing Work Orders
- ✓ Resolve and Eliminate Fund Deficits
 - Zero Dollar BEA Status Report
 - Deficit Analysis Report
- ✓ Storehouse Orders
- ✓ SIS Sundry Debtor Bills
- ✓ Web Recharge System
- ✓ Physical Plant Work Orders

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➤ July 1

- ✓ June Payroll Post
- ✓ All Feeder Systems Post

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➤ July 6

- ✓ FTD Reports Available - Transactions thru 7/04/2009
- ✓ Accrual and Deferral Requests to Accounting
- ✓ FY 2008/09 NCTs and FCTs posted
- ✓ FY 2008/09 PCTs posted
- ✓ FY 2008/09 Temp BEAs posted
- ✓ FY 2008/09 Permanent BEAs must have Dean/Vice Chancellor approval

➤ July 9

- ✓ FTD Reports Available - Transactions thru 7/08/2009

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FY2009 Fiscal Closing

➤ Accounting Services Web Site

- ✓ www.accounting.ucr.edu
 - Most current version of the 2008/09 closing letter
 - PO Recon Guide
 - DAPO Encumbrance Change Order Guide
 - Outstanding Encumbrance Query
- ✓ www.accounting.ucr.edu/general.htm
 - UCRFS Correction Decision Tree Sheet
 - Valid FAU Combinations Sheet
 - FY 2008/09 Svc & Aux Closing Letter
 - Accrual Template
 - 19900 Fiscal Closing Worksheet
 - S&S Fiscal Closing Worksheet
 - Fiscal Closing Worksheet
- ✓ www.accounting.ucr.edu/forms.htm
 - Various accounting forms

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Questions

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