Finance Seminar

www.wesleyan.edu/finance

YEAR END
Note: no significant changes from prior year

- Why all the deadlines?
- Workflow
- A/P vouchers and deadlines
- Purchase Orders
- Purchasing Card
- Travel
- Year end payroll charges
- Central bill expenses

- Deposits
- Accruals and prepaid expenses
- Budget information
- Calendar
- Accrual and prepaid examples

Why all the deadlines?

- Budget analysis
- Audited Financial Statements
- Internal Control Report
- Federal Government Oversight
- KPMG Audit Procedures

Have trouble remembering deadlines....check out our new Outlook Calendar.

NOW

- Pcard Vouchers reconciled
- Outstanding workflow documents
- Budget Analysis
- Prepaids
- Close Purchase Orders
- No more furniture orders

WORKFLOW

WORKFLOW

- All Smartdocs must be processed by year end.
- Follow up on Denied status
- Request Deletions
- Set a proxy if out of the office

To Find Document Status
Find an existing value - Journals

Smart Journal Entry

Enter any information you have and click Search. Leave fields blank for a list of all values.

/ Find an Existing Value \ Add a New Value \

Business Unit:	= ▾	WSLYN 🔍
Journal ID:	begins with ▾	
Journal Date:	= ▾	📅
Workflow Status:	= ▾	No Request ▾
Originating Oprid:	begins with ▾	VNYE 🔍
Document Sequence Number:	begins with ▾	
Line Business Unit:	= ▾	🔍
Journal Header Status:	not = ▾	Posted to Ledger(s) ▾
Budget Checking Header Status:	= ▾	▾
Source:	= ▾	ONL 🔍

☐ Case Sensitive

[Search] [Clear]   Basic Search 💾 Save Search Criteria

Find an Existing Value | Add a New Value

Find an existing value: Vouchers

Smart Voucher

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value | Add a New Value

Voucher ID:	contains	
Invoice Number:	begins with	
Invoice Date:	=	
Short Vendor Name:	begins with	
Vendor ID:	begins with	
Name 1:	begins with	
Voucher Style:	=	
Related Voucher:	begins with	
Entry Status:	=	
Voucher Source:	=	
Workflow Status:	=	Pending
Originating Oprid:	begins with	

☐ Case Sensitive

Search   Clear   Basic Search   Save Search Criteria

Search Results

OR: WFS Inquiry

Accounts Payable Vouchers
Determining the Fiscal Year

What it IS

- The work is performed

- The goods are received

- The travel occurs

What it is NOT

- Order date

- Payment date

- Invoice date

- Budget funds available

Accounts Payable Deadlines

Contact Vendors for Accelerated Billing

Expenses Incurred And Billed	Vouchers Due	Paid By
Through May 31	June 7	June 30 - depending..
June	June 30	July 7
Unbilled	Accrual	N/A

PURCHASE ORDERS

- Review Open purchase orders to be sure vouchers cleared the encumbrances.

- Open purchase orders will not carry forward to the next fiscal year (except for Grants and Construction Services)

PURCHASING CARD

- Carefully review for prepaid expenses:
  - Goods paid in fiscal 2017, received fiscal 2018
  - Travel paid in fiscal 2017, occurs in fiscal 2018
  - Note "Prepaid Line #xx" in "Instructions to AP".
  - Ad hoc Crystal Flores at the end of workflow
- Additional download dates for budget review
  - June 13, 22, July 5

TRAVEL

- Charged to the year in which the travel occurs

- Crosses fiscal years
  - Charged to the year in which the majority of travel takes place.
  - If it is exactly half the expenses must be split.
  - Accrual may be necessary for estimated expenses.

Timing of Year End Payroll Charges

Pay Period Ending	Check Date	Distribution to Financial System
Sunday, July 2	Friday, July 7	Wednesday, July 5

It is important that Student and Temp charges also be reflected in the year in which the work was performed. Therefore, please submit all timesheets in a timely manner and pay close attention to Payroll deadlines at June 30.

SPECIAL PAYROLL GUIDELINES FOR YEAR END

Type of Submission	Normal Schedule	Change for Year End – June 30 is on a half day Friday	
		Special Year End Due Dates	Method of Reporting
Electronic Paysheet (Public Safety, Physical Plant, Health Center, Private Music Lesson)	Noon on Monday for hours worked through the prior Sunday.	Noon on Thursday, June 29 for regularly scheduled hours worked through July 2	2 Separate Submissions: 1. Regular scheduled hours through June 30 2. Hours for July 1st and 2nd.
ATTrack (Secretarial and exempt hourly)	Noon on Friday for regularly scheduled hours worked through the coming Sunday	Noon on Thursday, June 29 for regularly scheduled hours worked through July 2	No reporting difference. Charges will automatically hit the correct fiscal year.
Student time entry and Temp time entry	Noon on Monday for hours worked through the prior Sunday.	Noon on Thursday, June 29 for hours worked through noon on Thursday. Do not submit for hours not yet worked. Hours worked after noon on June 29 – July 9 will be reported by noon on July 10 for pay date of July 14.	Need to enter in different panels for week ending June 30 and another panel for July 1 – July 2.
Timeclock	Noon on Monday for hours worked through the prior Sunday.	Noon on Thursday, June 29 for hours worked through noon on Thursday. Do not submit for hours not yet worked. Hours worked after noon on June 29 – July 9 will be reported by noon on July 10 for pay date of July 14.	No reporting difference. Charges will automatically hit the correct fiscal year.
Manual Pay Sheets	Noon on Monday for hours worked through the prior Sunday	Noon on Thursday, June 29 for hours worked through noon on Thursday. Do not submit for hours not yet worked. Hours worked after noon on June 29 – July 9 will be reported by noon on July 10 for pay date of July 14.	Separate sheets for: 1. June 29-30 2. July 1-9

CENTRAL BILLED EXPENSES

<u>EXAMPLES</u>

- Physical Plant Labor
- Wes Station
- Cardinal Technology Center
- Purchasing Card
- FEDEX
- Bon Appetite
- Machine Shop

During the month of June these expenses will be billed weekly.

DEPOSITS

- HIT SUBMIT
- CASH - Deposit transmittals due to Cashier by 10:00 on June 29.
- CHECKS – Deposit transmittals due to Cashier by 10:00 on June 30
- The Deposit transmittal will come off line from 10:00 am on June 30 to 9:00 am on July 1.
- If cash is due for work performed in fiscal 2017, you may request a receivable with Crystal Flores.

Prepaid Expenses

■ Prepaid expenses are transactions that <u>require payment during the old fiscal</u> year but which are appropriate to be charged to the new fiscal year.

■ Common types of prepaid expense requests:

➤ Reimbursement for airfare for travel occurring after July 1st.

➤ Deposits for catalogs and publications relating to the new fiscal year.

Prepaid Expenses Accounting Process

- Transaction relates to next year.

- Payment is needed now. (If not now, hold the invoice until new year is open)

- Examples: Airfare, Conference fees, Subscriptions

Prepaid Expenses
Accounting Process

The department will complete the AP voucher as usual, <u>except</u>;

- ❑ *Note "Prepaid Expense" in "Instructions to AP" field (for Pcard vouchers, indicate line number(s) if multiple charges appear on the voucher).*

- ❑ *Prior to submitting the voucher, ad hoc <u>Crystal Flores</u> as an approver at the end of workflow.*

Note: If you experience a budget error on the voucher, contact Crystal to request an override.

Prepaid Expenses
Accounting Process

2) Finance will process a journal entry to credit the department smartkey in fiscal 2017 and charge the smartkey in fiscal 2018.

3) Journal ID = "PPD_MMDDYY" and will contain the Voucher ID in the reference field.

4) Examples of prepaid expense entries can be found at the end of the presentation.

Accruals

- Year end accrual transactions would be required for an item that has been contracted for and will be received by June 30th, but the invoice paperwork will not be received in time to process the AP voucher(s) according to the year end deadlines.
- Common types of accrual requests:
  - Services performed but not yet billed.
  - Travel that occurs during June with documentation received in July.

Year End Accruals
Accounting Process

Have until 10:00 am on July 14 to request accruals.

What does this mean? If you get a fiscal 2017 invoice between July 1 and July 14:

- Complete an Accounts Payable Voucher normally.
- Note in "Instructions to AP: Fiscal 2017 Accrual.
- Ad Hoc Crystal Flores at the end of Workflow.

Year End Accruals
Accounting Process

If you do not have an invoice by July 14:

1) A best guess estimate is created for the target transaction/activity requiring an accrual. This estimate can be based on a quote/advertisement etc.

 2) The estimate is submitted to Finance (Crystal Flores - cflores@wesleyan.edu). Email notification of this estimate is acceptable.

Year End Accruals Accounting Process

3) The request for accrual should contain the same information as a normal AP voucher:

- Vendor Information
- Smartkey/account for the old fiscal year to be charged.
- Amount of the accrual (best guess estimate)
- Description of the item (include as much information as possible)
- Authorizations to process the transaction. Use the published guidelines to determine what authorizations are necessary.

Year End Accruals Accounting Process

4) The originator of the request will receive a confirmation (via email) that the accrual has been received and accepted as valid.

5) The Finance office will process a journal entry to charge the departmental account for the old fiscal year.

Year End Accruals Accounting Process

6) When the original invoice is received for the accrual item, the AP voucher must be completed as follows.

➤ Complete the AP Voucher in the new fiscal year as <u>normal</u> with the department smartkey and appropriate attachments.

➤ AD-HOC Crystal Flores into workflow as an approver.

➤ Note: F17 Accrual in "Instructions to AP".

➤ If Crystal Flores is not notified, there is a possibility that the department will be charged twice for the same item (once in the old fiscal year and for a second time in the new fiscal year).

Year End Accruals Accounting Process

7) Finance will verify the accrual transaction and process a journal entry that will give the department smartkey a credit to offset the payment.

Year End Accruals Accounting Process

- Examples of the accounting entries can be found at the end of the presentation.

BUDGETS

- Wesleyan has balanced its budget for 22 consecutive years.
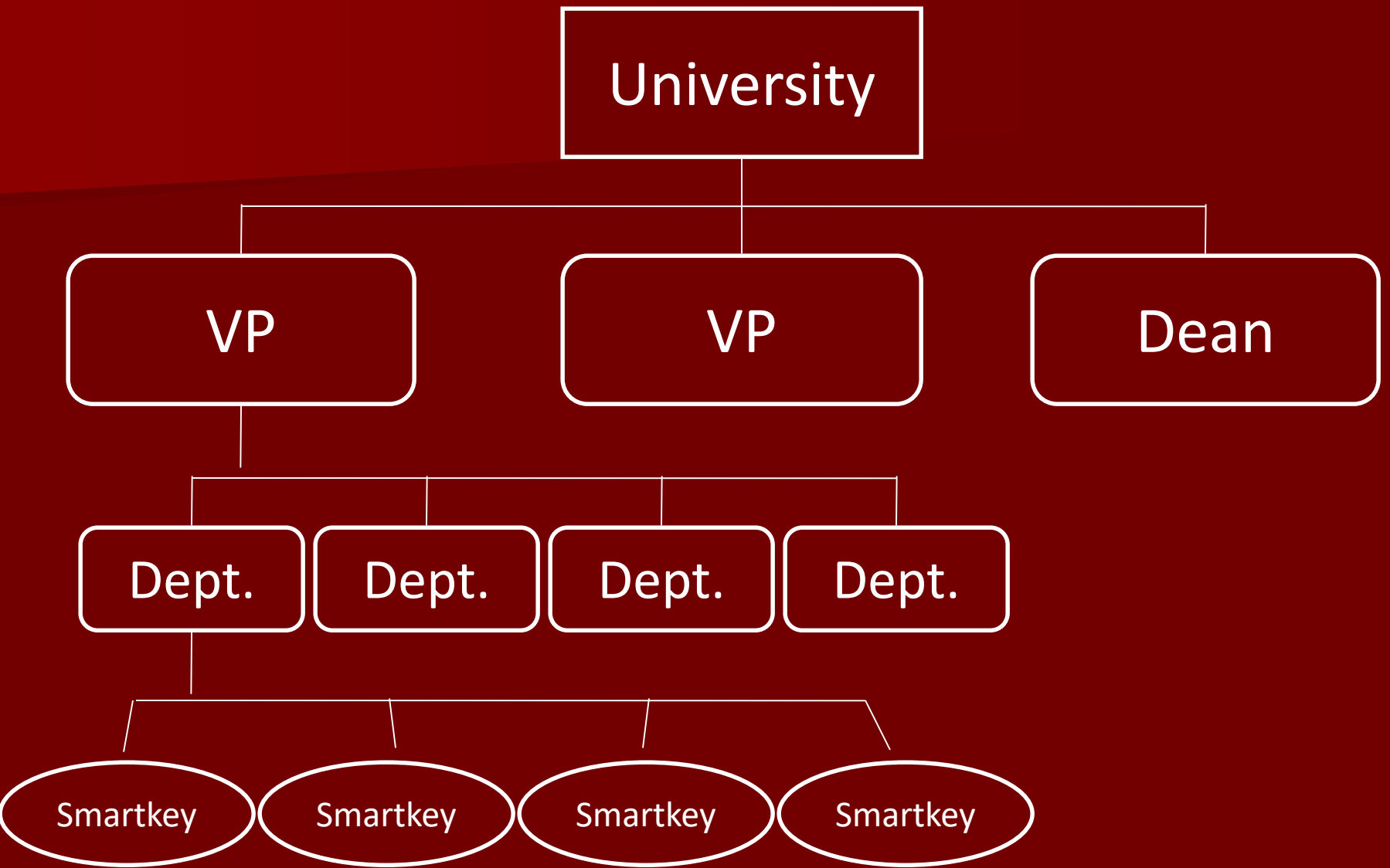
Reports

- **Inquiry Reports (Updated nightly)**
  - Smartkey Summary
  - Smartkey/Account Subgroup Summary
  - Smartkey/Account Summary
  - Transaction Detail
  - Personnel Earnings Detail

Budget Status

- Use Smartkey Summary for overall budget status. General guideline is:
  - April Month-End = % spent should be approx. 83.3%
  - May Month-End = % spent should be approx. 91.7%
  - June Month-End = % spent should be approx. 100.0%

- Drill down to Smartkey/Account Summary or Transaction Detail to research problem smartkeys.

Budget Checking/Warnings

- Budget Checking occurs at the level at which your department budgets (Attribute = KK Value)
    - TP = Program level
    - TS = Account Subgroup level (e.g., travel)
    - TD = Account detail level (e.g., airfare, lodging)

- Budget warnings (in yellow) indicate that there are insufficient funds for the po, voucher or journal entry at the level at which you budget.
    - You should transfer budget to fund the expense prior to submitting the po, voucher or journal.
    - Transactions with budget warnings may be allowed to be processed depending on the policy for your officer area

- Budget errors (in red) indicate that there are insufficient funds in the smartkey for the PO, Voucher or Journal
    - Transactions with budget errors can not be submitted to workflow
    - Budget will need to be transferred, or a different funding source will need to be identified, before the transaction can be processed

Budget Transfers

- Budget transfers are not reflected in WFS until they have been fully approved.

Deadlines

- June 30th – deadline for budget transfers to be fully approved.

Payroll Redistributions

- A payroll redistribution is a specialized journal to transfer payroll expenses.

Important dates/deadlines:

- June 9th – deadline for payroll redistribution prior to May 31st (90 day limit still applies)
- Final payroll for June will be reflected in Personnel Earnings Detail in WFS on July 6th.
- July 10th @ 12:00 pm – deadline for June payroll redistribution
- These deadlines are applicable for all funds (including grants).

Policies

- With the exception of certain faculty research smartkeys, the University does not carry forward unrestricted operating budget funds.

- Open purchase orders will not carry forward.

Finance Calendar

- Finance related deadlines can be viewed in Outlook using the publicly available shared Finance calendar.

    - Manage Calendars

    - Open Calendar

    - Open Shared Calendar

    - Name = Finance

- Additional details on accessing Finance calendar found at www.wesleyan.edu/finance/training/Calendar_AccessingFinancePubliCCalendar.pdf

Fiscal Managers

■ Academic Affairs	Sun Chyung	x2249
■ Admission	Eileen DeVille	x2978
■ Dean of the College	Rick Culliton	x2627
■ Office of Equity and Inclusion	Patricia Gordon	x4771
■ Finance and Admin	Sun Chyung	x2249
■ ITS	Prashanie Silva	x3153
■ University Relations	Deb Treister	x2935

Other Resources

- A/P Vouchers   Tammy Harley   x2843
- Budgets   Sun Chyung   x2249
- Gifts/Grants   Kim Savinelli   x3683
- Travel   Tami Sabo   x2958
- PCard   Tami Sabo   x2958
- Payroll   Payroll Dept   x2670
- Accruals and Prepaids   Crystal Flores   x2842
- Faculty Research Accts   Joy Vodak   x2705
- Miscellaneous   Melanie Messier   x2859

QUESTIONS

Accrual Example
Accounting Process and Entries

In June, a request was made for $500 to be charged to the department for the old fiscal year for services performed during June, but which will not be billed until July. This request has been approved by the departmental chair. Finance has notified the department that this entry will be accrued.

Accrual Example
Accounting Process and Entries

Accrual entries for <u>old fiscal year</u> via journal entry initiated by Finance based on email:

1) Debit/charge the departmental Smartkey.

2) Credit the accrual Smartkey.

Department	
Smartkey/Account	
Debit	Credit
$500 - JNL	

Accrual	
Smartkey/Account	
Debit	Credit
	$500 - JNL

Accrual Example
Accounting Process and Entries

Accrual entries for <u>new fiscal year</u> via accounts payable voucher initiated by department:

1) Debit/charge the departmental Smartkey via the A/P Voucher.
2) Ad-hoc Crystal Flores into workflow and note "accrual".
3) Finance will process a journal entry to debit the accrual Smartkey and credit the department.

Department Smartkey/Account		Accrual Smartkey/Account	
Debit	Credit	Debit	Credit
$500 – VCHR (Dept)	$500 – JNL (Fin)	$500 – JNL (new year)	

Accrual Example
Accounting Process and Entries

- The net effect of these entries is that the Department account has been charged in the old fiscal year, the transactions net to zero in the new year and the Accrual account has been cleared to $-0- after the new fiscal year has opened.

Department Smartkey Old Year		Department Smartkey New Year	
Debit	Credit	Debit	Credit
$500 - JNL		$500 –VCHR	$500 –JRNL

Prepaid Expense Example
Accounting Process and Entries

- In this example - $750 is needed to be paid by May 31st as a deposit for a brochure to be used for the Fall semester.

Prepaid Expense Example Accounting Process and Entries

Prepaid expense entries for <u>old fiscal year</u> via accounts payable voucher

1) Charge the Department Smartkey

2) Ad Hoc Crystal Flores into Workflow with Instructions to AP "Prepaid"

3) Crystal will prepare a journal entry to prepaid expense account.

Department Smartkey	
Debit	Credit
$750 – VCHR (Dept)	$750 – JRNL (Finance)

Prepaid Expense Smartkey	
Debit	Credit
$750 - JRNL (old year)	

Prepaid Expense Example Accounting Process and Entries

Prepaid expense entries for <u>new fiscal year</u> via journal entry prepared by Finance.

1) Charge the departmental Smartkey.
2) Credit the prepaid expense Smartkey.

Department	
Smartkey/Account	
Debit	Credit
$750 – JRNL (finance)	

Prepaid Expense	
Smartkey/Account	
Debit	Credit
	$750 – JRNL (Finance)

Prepaid Expense Example
Accounting Process and Entries

- The net effect of these entries is that the Department smartkey has been charged in the new fiscal year and the Prepaid Expense entry has cleared to $-0- after the new fiscal year has opened.

Dept. Smartkey – Old Year		Dept. Smartkey – New Year	
Debit	Credit	Debit	Credit
$750 – VCHR	$750 - JRNL	$750 - JRNL	