Finance Seminar
www.wesleyan.edu/finance
YEAR END

- 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 Finance 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

<table>
<thead>
<tr>
<th>Field</th>
<th>Operator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Unit</td>
<td>equal</td>
<td>WSLYN</td>
</tr>
<tr>
<td>Journal ID</td>
<td>begins with</td>
<td>WSLYN</td>
</tr>
<tr>
<td>Journal Date</td>
<td>equal</td>
<td>No Request</td>
</tr>
<tr>
<td>Workflow Status</td>
<td>begins with</td>
<td>VNYE</td>
</tr>
<tr>
<td>Originating Oprim</td>
<td>equal</td>
<td>ONL</td>
</tr>
<tr>
<td>Document Sequence Number</td>
<td>begins with</td>
<td>VNYE</td>
</tr>
<tr>
<td>Line Business Unit</td>
<td>equal</td>
<td></td>
</tr>
<tr>
<td>Journal Header Status</td>
<td>not =</td>
<td>Posted to Ledger(s)</td>
</tr>
<tr>
<td>Budget Checking Header Status</td>
<td>equal</td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td>equal</td>
<td></td>
</tr>
</tbody>
</table>

Search | Clear | Basic Search | Save Search Criteria

Find an Existing Value | Add a New Value
Find an existing value: Vouchers
OR: WFS Inquiry

### Transaction Detail

**Last Refresh Date:** 04/09/2010 12:04 PM

**Use Saved Search:**

<table>
<thead>
<tr>
<th>Field</th>
<th>Operator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>equal to</td>
<td>2010</td>
</tr>
<tr>
<td>SmartKey</td>
<td>begins with</td>
<td>1001211104</td>
</tr>
<tr>
<td>Account</td>
<td>begins with</td>
<td></td>
</tr>
<tr>
<td>Position</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Account Group</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Account Subgroup</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Program Group</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Fund Code</td>
<td>begins with</td>
<td>VOUCHER</td>
</tr>
<tr>
<td>Doc Type</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Doc ID</td>
<td>contains</td>
<td></td>
</tr>
<tr>
<td>Originator</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Amount Type</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Invoice Number</td>
<td>contains</td>
<td></td>
</tr>
<tr>
<td>Vendor ID</td>
<td>contains</td>
<td></td>
</tr>
<tr>
<td>Vendor Name</td>
<td>contains</td>
<td></td>
</tr>
</tbody>
</table>

### Transaction Line Detail

<table>
<thead>
<tr>
<th>#</th>
<th>Stale Chk Dt</th>
<th>Initial Stmt Dt</th>
<th>Final Appr Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>01/04/2010</td>
<td>01/04/2010</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>07/30/2009</td>
<td>07/30/2009</td>
<td>07/30/2009</td>
</tr>
<tr>
<td>3</td>
<td>07/31/2009</td>
<td>07/31/2009</td>
<td>08/03/2009</td>
</tr>
</tbody>
</table>
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
<table>
<thead>
<tr>
<th>Expenses Incurred And Billed</th>
<th>Vouchers Due</th>
<th>Paid By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through May 31</td>
<td>June 5</td>
<td>June 30 - depending...</td>
</tr>
<tr>
<td>June</td>
<td>June 27</td>
<td>July 3 – depending...</td>
</tr>
<tr>
<td>Unbilled</td>
<td>Accrual</td>
<td>N/A</td>
</tr>
</tbody>
</table>
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 2019, received fiscal 2020
  - Travel paid in fiscal 2019, occurs in fiscal 2020
  - Enter 3 lines for a prepaid transaction (reviewed in a later slide)

- Additional download dates for budget review
  - June 11, 24, July 2
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

<table>
<thead>
<tr>
<th>Pay Period Ending</th>
<th>Check Date</th>
<th>Distribution to Financial System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunday, June 30th</td>
<td>Friday, July 5th</td>
<td>Tuesday, July 3rd</td>
</tr>
</tbody>
</table>

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.
All time for the pay period ending Sunday, June 30th is due to be submitted by 9am on Friday, June 28th.
CENTRAL BILLED EXPENSES

EXAMPLES

- 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 26.

- CHECKS – Deposit transmittals due to Cashier by 10:00 on June 28.

- The Deposit transmittal will come off line from 10:00 am on June 28 to 9:00 am on July 1.

- If cash is due for work performed in fiscal 2019, you may request a receivable with Susan Pavis.
Prepaid Expenses

- Prepaid expenses are transactions that **require payment during the old fiscal 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
Recording Prepaid Transactions

• Enter 3 lines for one expense if the goods or services are to be received after June 30th.

• The first two lines are a positive and negative amount to the correct smartkey and account code – resulting in a net zero impact on the current year budget.

• The third line records the prepaid – use your correct smartkey and account code 13705.
Viewing Prepaid Transactions

- Starting on May 13th, prepaid transactions will be posted in the new fiscal year.
- Transaction in the new fiscal year will be posted weekly with a reference to the original voucher.
- Consistent with prior year, end users will still be able to see the voucher in transaction detail and drill into the voucher if needed in the current fiscal year.
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 12 to request accruals.

What does this mean? If you get a fiscal 2019 invoice between July 1 and July 12:

- Complete an Accounts Payable Voucher normally.
- Note in Instructions to AP: Fiscal 2019 Accrual.
- Ad Hoc Susan Pavis at the end of Workflow.
Year End Accruals
Accounting Process

If you do not have an invoice by July 12:

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 (Susan Pavis - spavis@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.
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.
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 normal with the department smartkey and appropriate attachments.
- AD-HOC Susan Pavis into workflow as an approver.
- Note: F19 Accrual in “Instructions to AP”.
- If Susan Pavis 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).
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 24 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 28\textsuperscript{th} – 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 7th** – 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 3rd.
- **July 12th @ 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**
  - Kathleen Norris
  - x2978

- **Dean of the College**
  - Rick Culliton
  - x2627

- **Diversity and Strategic Partnerships**
  - Patricia Stephenson
  - x4771

- **Finance and Admin**
  - Sun Chyung
  - x2249

- **ITS**
  - Sun Chyung
  - x2249

- **University Relations**
  - Deb Treister
  - x2935
### Other Resources

<table>
<thead>
<tr>
<th>Resource</th>
<th>Contact Name</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/P Vouchers</td>
<td>Tammy Harley</td>
<td>x2843</td>
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<tr>
<td>Budgets</td>
<td>Sun Chyung</td>
<td>x2249</td>
</tr>
<tr>
<td>Gifts/Grants</td>
<td>Kim Savinelli</td>
<td>x3683</td>
</tr>
<tr>
<td>Travel</td>
<td>Tami Sabo</td>
<td>x2958</td>
</tr>
<tr>
<td>PCard</td>
<td>Tami Sabo</td>
<td>x2958</td>
</tr>
<tr>
<td>Payroll</td>
<td>Payroll Dept</td>
<td>x2670</td>
</tr>
<tr>
<td>Accruals and Prepaids</td>
<td>Susan Pavis</td>
<td>x2839</td>
</tr>
<tr>
<td>Faculty Research Accts</td>
<td>Joy Vodak</td>
<td>x2705</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>Melanie Messier</td>
<td>x2859</td>
</tr>
</tbody>
</table>
QUESTIONS
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 old fiscal year via journal entry initiated by Finance based on email:

1) Debit/charge the departmental Smartkey.
2) Credit the accrual Smartkey.

<table>
<thead>
<tr>
<th>Department</th>
<th>Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartkey/Account (8XXXX)</td>
<td>Smartkey/Account (43300)</td>
</tr>
<tr>
<td>Debit</td>
<td>Debit</td>
</tr>
<tr>
<td>$500 - JNL</td>
<td>$500 - JNL</td>
</tr>
<tr>
<td>Credit</td>
<td>Credit</td>
</tr>
</tbody>
</table>
Accrual Example
Accounting Process and Entries

Accrual entries for **new fiscal year** via accounts payable voucher initiated by department:

1) Debit/charge the departmental Smartkey via the A/P Voucher.

2) Ad-hoc Susan Pavis into workflow and note “accrual”.

3) Finance will process a journal entry to debit the accrual Smartkey and credit the department.

<table>
<thead>
<tr>
<th>Department</th>
<th>Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartkey/Account</td>
<td>Smartkey/Account</td>
</tr>
<tr>
<td>(8XXXX)</td>
<td>(43300)</td>
</tr>
<tr>
<td>Debit</td>
<td>Debit</td>
</tr>
<tr>
<td>$500 – VCHR</td>
<td>$500 – JNL</td>
</tr>
<tr>
<td>(Dept)</td>
<td>(Fin)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$500 – JNL (new year)
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.

<table>
<thead>
<tr>
<th>Department Smartkey</th>
<th>Old Year</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$500</td>
<td>JNL</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department Smartkey</th>
<th>New Year</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$500</td>
<td>VCHR</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$500</td>
<td>JRNL</td>
</tr>
</tbody>
</table>
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 old fiscal year via accounts payable voucher

1) Charge and credit the Department Smartkey on the voucher (2 lines)

2) Add a 3rd line to charge the prepaid account code 13705

<table>
<thead>
<tr>
<th>Department Smartkey/Account (8XXXX)</th>
<th>Prepaid Expense Account (13705)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit</td>
<td>Debit</td>
</tr>
<tr>
<td>$750 - VCHR</td>
<td>$750 - VCHR</td>
</tr>
<tr>
<td>Credit</td>
<td>Credit</td>
</tr>
<tr>
<td>$750 - VCHR (old year)</td>
<td></td>
</tr>
</tbody>
</table>
Prepaid Expense Example
Accounting Process and Entries

Prepaid expense entries for new fiscal year via journal entry prepared by Finance.

1) Charge the departmental Smartkey.

2) Credit the prepaid expense Smartkey.

<table>
<thead>
<tr>
<th>Department</th>
<th>Prepaid Expense Account (13705)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartkey/Account</td>
<td>Smartkey/Account</td>
</tr>
<tr>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>$750 – JRNL (finance)</td>
<td></td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Dept. Smartkey – Old Year</th>
<th>Dept. Smartkey – New Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit</td>
<td>Debit</td>
</tr>
<tr>
<td>$750 – VCHR</td>
<td>$750 - JRNL</td>
</tr>
<tr>
<td>Credit</td>
<td>Credit</td>
</tr>
<tr>
<td>$750 - JRNL</td>
<td>$750 - JRNL</td>
</tr>
</tbody>
</table>