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

Search  Clear  Basic Search  Save Search Criteria

Find an Existing Value  Add a New Value
Find an existing value: Vouchers
### Transaction Detail

Last Refresh Date: 04/09/2015 12:04 PM

Use Saved Search: 

<table>
<thead>
<tr>
<th>Field</th>
<th>Condition</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>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></td>
<td></td>
</tr>
<tr>
<td>Amount Type</td>
<td>equal to</td>
<td></td>
</tr>
<tr>
<td>Invoice Number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vendor ID</td>
<td>contains</td>
<td></td>
</tr>
<tr>
<td>Vendor Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Transaction Line Detail

<table>
<thead>
<tr>
<th>#</th>
<th>Issue Ck Dt</th>
<th>Initial Sbrm Dt</th>
<th>Final Apmnt 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
## Accounts Payable Deadlines

Contact Vendors for Accelerated Billing

<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 8</td>
<td>June 30 - depending..</td>
</tr>
<tr>
<td>June</td>
<td>June 30</td>
<td>July 8</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 2016, received fiscal 2017
  - Travel paid in fiscal 2016, occurs in fiscal 2017
  - Note “Prepaid Line #xx” in “Instructions to AP”.
  - Ad hoc Susan Pavis at the end of workflow

- Additional download dates for budget review
  - June 10, 22, July 6
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 26</td>
<td>Friday, July 1</td>
<td>Wednesday, June 29</td>
</tr>
<tr>
<td>Sunday, July 3</td>
<td>Friday, July 8</td>
<td>Wednesday, July 6 4 days in fiscal 2016 3 days in fiscal 2017</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.
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 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 2016, you may request a receivable with Susan Pavis.
Year End Prepaid Expenses and Accruals

- The process of posting transactions for year end prepaid expenses and accruals is used to assure proper matching of transactions to the appropriate fiscal year.
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
The department will complete the AP voucher as usual, except:

- 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 Susan Pavis as an approver at the end of workflow.

Note: If you experience a budget error on the voucher, contact Susan to request an override.
Prepaid Expenses
Accounting Process

2) Finance will process a journal entry to credit the department smartkey in fiscal 2016 and charge the smartkey in fiscal 2017.

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 15 to request accruals.

What does this mean? If you get a fiscal 2016 invoice between July 1 and July 15:

- Complete an Accounts Payable Voucher normally.
- Note in “Instructions to AP: Fiscal 2016 Accrual.
- Ad Hoc Susan Pavis at the end of Workflow.
Year End Accruals
Accounting Process

If you do not have an invoice by July 15:

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.
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.
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 normal with the department smartkey and appropriate attachments.
- AD-HOC Susan Pavis into workflow as an approver.
- Note: F16 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 smarkey 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 21 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 10^{th}** – deadline for payroll redistribution prior to May 31^{st} (90 day limit still applies)
- Final payroll for June will be reflected in Personnel Earnings Detail in WFS on July 7^{th}.
- **July 11^{th} @ 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: Susan Pavis x2839
- Faculty Research Accts: Joy Vodak x2705
- Miscellaneous: Valerie Nye x3192
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 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>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartkey/Account</td>
<td>$500 - JNL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accrual</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartkey/Account</td>
<td></td>
<td>$500 - JNL</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></th>
<th>Department</th>
<th>Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Smartkey/Account</td>
</tr>
<tr>
<td></td>
<td>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>$500 – VCHR</td>
<td>($500 – JNL (Dept)</td>
<td>($500 – JNL (Fin)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$500 – JNL (new year)</td>
<td>$500 – JNL (new year)</td>
</tr>
</tbody>
</table>
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.

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

<table>
<thead>
<tr>
<th>Department Smartkey</th>
<th>New Year</th>
<th>Credit</th>
<th>Debit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$500 - VCHR</td>
</tr>
</tbody>
</table>

$500 – J RNL
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 old fiscal year via accounts payable voucher

1) Charge the Department Smartkey
2) Ad Hoc Susan Pavis into Workflow with Instructions to AP “Prepaid”
3) Susan will prepare a journal entry to prepaid expense account.

<table>
<thead>
<tr>
<th>Department Smartkey</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$750 – VCHR (Dept)</td>
<td></td>
<td>$750 – JRNL (Finance)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prepaid Expense Smartkey</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$750 - JRNL (old year)</td>
<td></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 Smartkey/Account</th>
<th>Prepaid Expense Smartkey/Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit</td>
<td>Debit</td>
</tr>
<tr>
<td>Credit</td>
<td>Credit</td>
</tr>
<tr>
<td>$750 – JRNL (finance)</td>
<td>$750 – JRNL (Finance)</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.

### Dept. Smartkey – Old Year

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$750 – VCHR</td>
<td>$750 - JRNL</td>
</tr>
</tbody>
</table>

### Dept. Smartkey – New Year

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$750 - JRNL</td>
<td></td>
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