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
Find an existing value: Vouchers
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

<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 7</td>
<td>June 30 - depending...</td>
</tr>
<tr>
<td>June</td>
<td>June 30</td>
<td>July 7</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 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

<table>
<thead>
<tr>
<th>Pay Period Ending</th>
<th>Check Date</th>
<th>Distribution to Financial System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunday, July 2</td>
<td>Friday, July 7</td>
<td>Wednesday, July 5</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.
# SPECIAL PAYROLL GUIDELINES FOR YEAR END

<table>
<thead>
<tr>
<th>Type of Submission</th>
<th>Normal Schedule</th>
<th>Change for Year End - June 30 is on a half day Friday</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electronic Paysheet (Public Safety, Physical Plant, Health Center, Private Music Lesson)</strong></td>
<td>Noon on Monday for hours worked through the prior Sunday.</td>
<td>Noon on Thursday, June 29 for regularly scheduled hours worked through July 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Separate Submissions:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. Regular scheduled hours through June 30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Hours for July 1st and 2nd.</td>
</tr>
<tr>
<td><strong>ATTrack (Secretarial and exempt hourly)</strong></td>
<td>Noon on Friday for regularly scheduled hours worked through the coming Sunday</td>
<td>Noon on Thursday, June 29 for regularly scheduled hours worked through July 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No reporting difference. Charges will automatically hit the correct fiscal year.</td>
</tr>
<tr>
<td><strong>Student time entry and Temp time entry</strong></td>
<td>Noon on Monday for hours worked through the prior Sunday.</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need to enter in different panels for week ending June 30 and another panel for July 1 - July 2.</td>
</tr>
<tr>
<td><strong>Timeclock</strong></td>
<td>Noon on Monday for hours worked through the prior Sunday.</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No reporting difference. Charges will automatically hit the correct fiscal year.</td>
</tr>
<tr>
<td><strong>Manual Pay Sheets</strong></td>
<td>Noon on Monday for hours worked through the prior Sunday.</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Separate sheets for:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1. June 29-30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. July 1-9</td>
</tr>
</tbody>
</table>
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 2017, you may request a receivable with Crystal Flores.
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
Prepaid Expenses
Accounting Process

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 Crystal Flores as an approver at the end of workflow.

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

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**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
<table>
<thead>
<tr>
<th>Department</th>
<th>Contact Name</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Affairs</td>
<td>Sun Chyung</td>
<td>x2249</td>
</tr>
<tr>
<td>Admission</td>
<td>Eileen DeVille</td>
<td>x2978</td>
</tr>
<tr>
<td>Dean of the College</td>
<td>Rick Culliton</td>
<td>x2627</td>
</tr>
<tr>
<td>Office of Equity and Inclusion</td>
<td>Patricia Gordon</td>
<td>x4771</td>
</tr>
<tr>
<td>Finance and Admin</td>
<td>Sun Chyung</td>
<td>x2249</td>
</tr>
<tr>
<td>ITS</td>
<td>Prashanpie Silva</td>
<td>x3153</td>
</tr>
<tr>
<td>University Relations</td>
<td>Deb Treister</td>
<td>x2935</td>
</tr>
</tbody>
</table>
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
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 Smartkey/Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$500 - JNL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accrual Smartkey/Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td></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 Crystal Flores 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>Debit</td>
<td>Credit</td>
</tr>
<tr>
<td>$500 – VCHR (Dept)</td>
<td>$500 – JNL (Fin)</td>
</tr>
<tr>
<td></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>New Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debit</td>
<td>Credit</td>
<td>Debit</td>
</tr>
<tr>
<td>$500 - JNL</td>
<td></td>
<td>$500 -VCHR</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 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.

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

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