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
- Accrual examples

Why all the deadlines?

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

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 29 - depending..
June	June 22	July 8 – depending..
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)

- If the PO is no longer applicable, request it be closed via email to wfshelp@wesleyan.edu .

CTW OneSource

- Review outstanding receiving by clicking the check box in the upper right corner and mark received items as received.

- If item will never be received, consult Receiving Guide with instructions on how to close the purchase order.

- Place all orders well in advance of June 30th to avoid encumbrances closing in FY 23 before the item is received.

PURCHASING CARD

- Carefully review for prepaid expenses:
  - Goods paid in fiscal 2023, received fiscal 2024
  - Travel paid in fiscal 2023, occurs in fiscal 2024
  - Enter 3 lines for a prepaid transaction (reviewed in a later slide)
- Additional download dates for budget review
  - June 7, 21, July 3

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, June 25th Sunday, July 2nd	Friday, June 30th Friday, July 7th	Thursday, June 29th Thursday, July 6th

It is important that Student and Temp charges also be reflected in the year in which the work was performed. Therefore, please review and approve all timesheets in a timely manner (by noon on Tuesday following the week worked).

Year End Payroll Processing Guidelines

WEEKLY

All time for the pay period ending Sunday, June 25th is due to be approved in Workforce Time by Noon on Tuesday, June 27th (no change in current policy)

MONTHLY/SEMI-MONTHLY

All earnings for the pay period ending Friday, June 30th is due to be submitted to Payroll by HR or Academic Affairs by noon on Thursday, June 22nd.

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 21.

- CHECKS – Deposit transmittals due to Cashier by 10:00 on June 23.

- The Deposit transmittal will come off line from 10:00 am on June 23 to 9:00 am on July 3.

- If cash is due for work performed in fiscal 2023, you may request a receivable with Susan Pavis (email spavis@wesleyan.edu).

Prepaid Expenses

- Prepaid expenses are transactions that <u>require payment during the old fiscal year</u>, 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**.

	Amount	Smartkey	Description	Account	Description	Budget Line Status
1	5.00	1001053100	EARTH & ENVIRON SCI	83100	CONSULTANT FEES I	Valid
2	-5.00	1001053100	EARTH & ENVIRON SCI	83100	CONSULTANT FEES I	Valid
3	5.00	1001053100	EARTH & ENVIRON SCI	13705	PREPAID EXPENSES	Bypass

Distribution Lines   Personalize | Find | 🗗 | 🏢   First ◀ 1-3 of 3 ▶ Last

Viewing Prepaid Transactions

- Starting during the week of May 15th, 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.

Transaction Line Detail

| Transaction Detail | Position Data | Projects | Attributes | Document Specific Info | Dates |

	FY	SmartKey	SmartKey Description	Activity	Account	Account Description	Acctg Per	Amount	Amount Label	Amount Type	Doc Type	Smart Doc	Doc ID
1	2018	1001053100	EARTH & ENVIRON SCI		83100	CONSULTANT FEES I	9	-5.00	BUD CHKD	C	VOUCHER		00272983
2	2018	1001053100	EARTH & ENVIRON SCI		83100	CONSULTANT FEES I	9	5.00	BUD CHKD	C	VOUCHER		00272983

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 10th to request accruals.

What does this mean? If you get a fiscal 2023 invoice between July 1 and July 10:

- Complete an Accounts Payable Voucher normally.
- Note in Instructions to AP: Fiscal 2023 Accrual.
- Ad Hoc Susan Pavis at the end of Workflow.

Year End Accruals Accounting Process

If you do not have an invoice by July 10:

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.

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 Susan Pavis into workflow as an approver.

➤ Note: F23 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).

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 28 consecutive years.
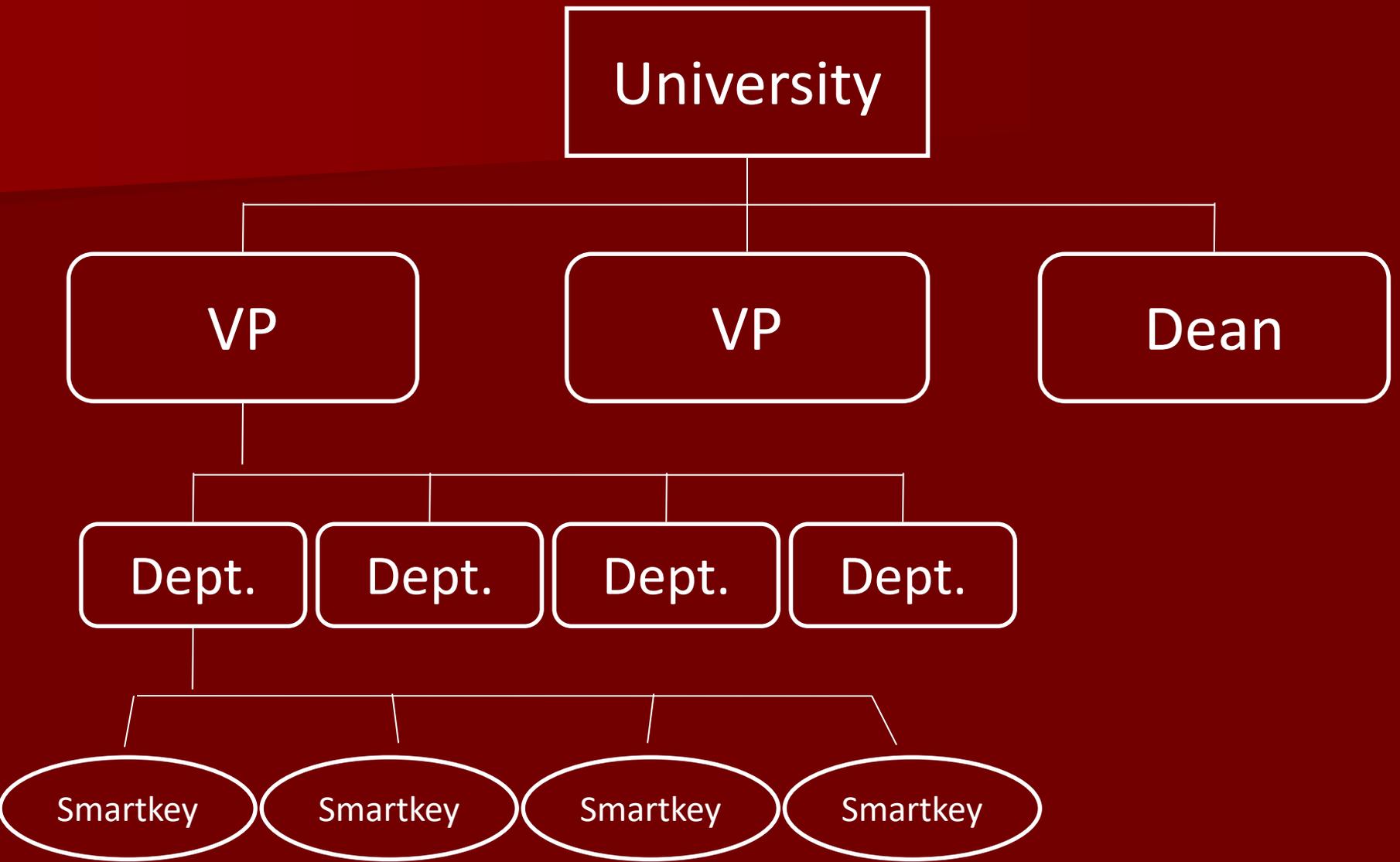
Reports

- 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 29th – 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 5th – 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 11th @ 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.

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 (8XXXX)	
Debit	Credit
$500 - JNL	

Accrual	
Smartkey/Account (43300)	
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 Susan Pavis into workflow and note "accrual".

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

Department		Accrual	
Smartkey/Account (8XXXX)		Smartkey/Account (43300)	
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	
Debit	Credit
$500 - JNL	

Department Smartkey New Year	
Debit	Credit
$500 –VCHR	$500 –JRNL