

State Year-end Process Training

June 10, 2021

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Purpose of Year-End

To ensure **all financial and accounting transactions** are recorded in the **appropriate fiscal year** and to properly report the institution's **financial position as of June 30**

Terms to Know

- **Accrual** – An accounting entry used to ensure transactions are recorded when expenditures are incurred, or revenues are earned, regardless of when the cash payment is made or received (types of accruals include accounts payable, accounts receivable, prepaid expenditure and deferred revenue).
- **Accounts Payable (AP)** – An accounting entry used when goods or services have been received on, or before, June 30, but for which payment will not be made until July 1, or later.
- **Accounts Receivable (AR)** – An accounting entry used when goods or services have been provided on, or before, June 30, but for which payment will not be received until July 1, or later.
- **Accounting & Financial Reporting Services (AFRS)** - responsible for the University's financial reporting and coordination of the annual external audit.
- **Budget Transfer (BT)** - A transfer of recurring or non-recurring funds between two general fund cost objects within a department or across departments
- **Cost accounting standards (CAS)** - Standards used to ensure uniformity and consistency in the measurement, assignment and allocation of costs
- **CDEM** - Cost Distribution Entry Module is used to enter, or modify, payroll cost distributions
- **Dean's Commitment** – Supplemental funding granted by the college for a specific purpose

Terms to Know

- **Deferred Revenue (DR)** – An accounting entry used to record revenues for which we have received, but not yet earned.
- **Encumbrance** - A financial commitment for goods or services ordered
- **Federal Capacity Grant (FCG)** - NIFA (National Institute of Food and Agriculture) provides support for research and extension activities at land-grant institutions through grants to the states based on statutory formulas (Hatch, Smith Lever, etc)
- **Fiscal Period** – An accounting period that normally begins on the first of the month and ends on the last day of the month.
- **Fiscal Year (FY)** – An accounting period that normally consists of 12 fiscal periods and any number of special periods used to close the year. (July 1 thru June 30)
- **Journal Voucher (JV)** - document used to make corrections and/or to transfer a revenue or expense transaction to a cost object and/or GL other than where it posted originally
- **Non-recurring (NRCR)** - one-time transfer of funds, can be multiple years with a specified end date
- **Payment Documents** – All PRD's, disbursement requests, and imprest cash reimbursements related to expenses incurred.
- **Prepaid Expenditure (PE)** – An accounting entry used to record expenditures for which we have paid, but not yet incurred.
- **Plant Fund** – a WBS element created to track capital projects for construction, renovation, major equipment purchases and/or fabricated equipment

Terms to Know

- **Physical Plant Division (PPD)** - department at UK that maintains campus grounds and facilities
- **Payment Request Document (PRD)** - e-procurement module used for items such as utility payments, guest expenses, and honoraria
- **Procurement card (Procard)** - credit cards issued to individual employees for the delegated authority to make purchases on behalf of the university.
- **Reconciliation** – The process of comparing two sets of records to ensure they agree and to identify/resolve discrepancies. At UK, this comparison is between the supporting documentation and SAP financial records.
- **Recurring (RCUR)** - budget occurring on an annual basis, transfer processed one-time with the amount becoming part of the ongoing appropriation
- **Research Financial Services (RFS)** - used to be known as SPA. Serves as liaison between sponsors, department personnel and PIs and provide accurate real-time invoicing, reporting, and financial guidance.
- **Sponsored Project** – Specific project or program funded by external entities; contractual obligations between the grantor and the University for the performance of a specific activity through which the grantor, or sponsor, is entitled to receive some consideration or benefits.
- **Supplier Relationship Management (SRM)** - SAP module to procure goods and services using a “Shopping Cart” environment within myUK.

Roles & Responsibilities

- CAFE Business Center
 - Implements a **year-end schedule** and holds individuals involved accountable for completion
 - Serves as a **support system** for all things related to the fiscal year-end closing process
 - **Communicates and trains** key personnel on the year-end process
 - Work with Department heads and business officers to **facilitate** the year-end process

Roles & Responsibilities

- Department Business Officer
 - Ensures **all deadlines** are met for their respective unit
 - **Facilitates** the year-end process for their respective unit
 - **Communicates** with personnel in the office regarding any upcoming year-end deadlines
 - **Consults** with Department head and the Business Center team as necessary throughout the process

Deadlines

- Why do we have deadlines?
 - Allows management to have **comparative** numbers that are **consistent** from year-to-year
 - Provides an **accurate picture** of the institution's financial operations
 - Provides a clean cut-off for audit purposes
 - Revenues and expenditures **must be recorded** in the correct fiscal year or audit findings may result
 - The **correct fiscal year** is the year in which the goods and services were **received** (expenditures) or **provided** (revenues)
 - Accruals may be necessary to ensure revenues and expenditures are recorded in the correct fiscal year

Year-end Close Calendar

- The CAFE Business Center provides a detailed calendar of the [Year-end Closing Schedule](#)
- The deadlines need to be reviewed by the unit's business officer
- Appropriate staffing needs to be in place in the unit/department to comply with year-end processes and deadlines
- We have also provided a [Fiscal Year-End Checklist](#) of items to review to properly closeout the fiscal year
- Business Center staff will also send email reminders of upcoming deadlines each week during the process

College of Agriculture, Food & Environment

[FY21 Year-end Closing Schedule](#)

| CAFE Due Date | Type | Business Transaction | Dept. | Contact Information | | |
|------------------|-------------------|--|---------------------------|---------------------|--------|--|
| 4/12/2021 | Req/ PO | Shopping carts/requisitions for vehicles or for lease where the first payment is requested from FY21 funds or for purchase of capital goods, services or equipment that are not on a current University Price Contract and require delivery prior to July 1. | Purchasing | Naomi Emmons | 7-1555 | nemmo2@email.uky.edu |
| 5/5/2021 | Req/ PO | Shopping carts/requisitions for small dollar purchases of any type that require delivery prior to July 1. | Purchasing | Naomi Emmons | 7-1555 | nemmo2@email.uky.edu |
| 6/1/2021 (noon) | JV's | JV's for corrections to cash receipts and JV's related to expenses incurred or services provided and cost transfers for expenses posted prior to June 1 for all cost objects are due to the Business Center by noon, routed through the JV workflow. Note: Compliance with BPM E-10 also applies to sponsored projects. | CAFE Business Center | Business Analyst | | |
| 6/2/2021 | Payment Documents | PRD's, disbursement requests, imprest cash reimbursements, and purchase order invoices related to expenses incurred prior to June 1 due to AP. | Accounts Payable Services | Leslie Duty | 3-4404 | leslie.duty@uky.edu |
| 6/2/2021 | Travel Reports | Concur travel reports related to travel expenses incurred prior to June 1 are due to AP via the workflow. | Accounts Payable Services | Leslie Duty | 3-4404 | leslie.duty@uky.edu |
| 6/14/2021 | Payroll | MO#06 final opportunity for departments to make cost distribution changes for 4th quarter of FY21 which will affect old year budget. See Payroll schedule for pay period processing dates. | Payroll Services | Kevin Keplar | 2-2875 | kevin.keplar@uky.edu |
| 6/14/2021 | Capital Projects | New capital project establishment forms for FY21 projects are due to the Business Center. | CAFE Business Center | Kim King | 7-7143 | skking1@email.uky.edu |
| 6/15/2021 | Pro Card Reports | Concur pro card reports related to expenses incurred prior to June 1 are due to AP via the workflow. | Accounts Payable Services | Kimberly Maggard | 8-6501 | kjma245@email.uky.edu |
| 6/16/2021 (noon) | JV's | JV's for corrections to cash receipts and JV's related to expenses incurred or services provided and cost transfers for expenses posted June 1 through June 15 for all cost objects are due to the Business Center by noon, routed through the JV workflow. Note: Compliance with BPM E-10 also applies to sponsored projects. | CAFE Business Center | Business Analyst | | |
| 6/17/2021 | Cash Receipts | 4:30pm cut-off for Lexington locations to deliver cash and transmittals for cash on hand through June 17. | Treasury Services | Karen Lawson | 7-3969 | karen.whitt3@uky.edu |
| 6/17/2021 | Cash Receipts | Out-of-town locations must deposit all cash on hand in local banks prior to close of business. Imprest funds are excluded. | Treasury Services | Karen Lawson | 7-3969 | karen.whitt3@uky.edu |
| 6/17/2021 | Payment Documents | PRD's, disbursement requests, imprest cash reimbursements, and purchase order invoices related to expenses incurred June 1 to June 15 due to AP. | Accounts Payable Services | Leslie Duty | 3-4404 | leslie.duty@uky.edu |

Fiscal Periods

- **PERIOD 12** – June posting period closes **July 7th** (012/20XX)
- **PERIOD 13** – June posting period that closes on **July 13th**. This posting period is **primarily for posting corrections to transactions that posted to June** during the first week of July (013/20XX)
- **PERIODS 14 and 15** – June posting periods for University Financial Services staff to **prepare the audited financial statements** of the University (014/20XX or 015/20XX)
- **PERIOD 16** – Final closing period for the University. All reports for the prior fiscal year should always be run through period 16 (016/20XX)

Questions



Account Balance Review

State Account Balance Review

- State Expense cost/funds centers (1012XXXXXX)
 - Post expenses using 5XXXXX G/L accounts
 - Post recharges using 6XXXXX G/L accounts
 - Post transfers using 7XXXXX G/L accounts
- State cost/funds centers are to be reviewed **excluding** benefits
- All state balances are **reviewed by the college in total for each department** number regardless of individual account balances or functional area
- Negative departmental state balances will be **reviewed by the Dean** on a case-by-case basis
- Positive departmental state balances require a **fund balance request during the budget prep process**. Fund balance requests are reviewed and approved by the Dean during that process.

Account Balance Review

Income (Revenue Producing Activity) Account Balance Review

- Self-supporting income cost/funds centers (1013XXXXXX)
 - Post revenues using 4XXXXX G/L accounts
 - Post expenses using 5XXXXX G/L accounts
 - Post recharges using 6XXXXX G/L accounts
 - Post transfers using 7XXXXX G/L accounts
- Self-supporting cost/funds centers are reviewed **including** benefits
- All self-supporting balances are **reviewed per individual cost center** and not by unit/department
- All self-supporting cost/funds centers **fund balances carry forward** into the new fiscal year
 - Income fund balances are returned at the same time as state fund balances and therefore will not post to the account until January of the following fiscal year

Account Balance Review

Income (Revenue Producing Activity) Account Balance Review (Continued)

- Review balances to **ensure all deficits, or potential deficits, are resolved** prior to fiscal year-end
 - Although negative balances can/will be carried forward in the following fiscal year, the new year's income must cover the deficit balance plus all additional current year expenses
- Includes VPR income cost objects beginning with 101317XXXX (start-up cost objects)
 - VPR income fund balances are returned by the VPRs office near the beginning of the new fiscal year
 - Any negative balances can be corrected using the department's enrichment cost object (also in business area 0201)

Account Balance Review

HR Clearing Account Balance Review

- HR Clearing cost/funds centers (10128XXXXX)
 - Post revenues using 4XXXXX G/L accounts
 - Post expenses using 5XXXXX G/L accounts
 - Post recharges using 6XXXXX G/L accounts
 - Post transfers using 7XXXXX G/L accounts
- HR Clearing cost/funds centers are reviewed **including** benefits
- HR Clearing Cost Centers are **temporary accounts containing expenses that are to be transferred to other accounts**. The primary purpose of these cost centers is to house budget for positions supported by non-recurring funds (i.e. grants, gifts, etc.). Expenditures should not post to, or remain on, these cost objects.

Account Balance Review

HR Clearing Account Balance Review (Continued)

- Infotype 0027 in SAP should be changed retroactively to move **bi-weekly staff salaries and benefits** to the proper fund source. CDEM should be changed retroactively to move **faculty and monthly staff salaries and benefits** to the proper fund source. However, please keep in mind the earliest payroll retro date when moving expenses to the appropriate cost object.
- Also, please be mindful of the federal fiscal year when moving charges. Verify that the **appropriate fund is used for all cost distributions** when making entries on federal capacity grants/WBS elements (235-prefix).
- All pro-cards defaulting to HR Clearing Cost Centers should be edited by the fiscal year-end due dates to the appropriate cost object.
- Any other expenses may be moved by processing a Journal Voucher, including converged fee.
- HR Clearing Cost Centers **should have a zero balance at fiscal year-end**
- If a year-end balance remains on a HR Clearing Cost Center, the **balance will be taken from the department's state year-end balance**

Account Balance Review

Restricted Account Balance Review

- Restricted private gift cost/funds centers (121XXXXXXX)
 - Post revenue using 4XXXXX G/L accounts
 - Post expenses using 5XXXXX G/L accounts
 - Post recharges using 6XXXXX G/L accounts
 - Post transfers using 7XXXXX G/L accounts
- Restricted cost/funds centers are reviewed **including** benefits
- All restricted accounts **must have a zero or positive balance at the end of the fiscal year**
- Review balances to **ensure all deficits, or potential deficits, are resolved** prior to fiscal year-end.
- Restricted balances are reviewed by individual cost center

Account Balance Review

Service Center & Recharge Operations Account Balance Review

- Service Centers (10438XXXX0) and Recharge Operations (1012XXXXXX) are departmental units that provide goods or services for a fee
 - Post revenue using 4XXXXX G/L accounts
 - Post expenses using 5XXXXX G/L accounts
 - Post recharges using 6XXXXX G/L accounts
 - Post transfers using 7XXXXX G/L accounts
- Service Center & Recharge Operations cost/funds centers are reviewed **including** benefits
- Service Centers and Recharge Operations are required to **follow cost principles** set forth in the [OMB Circular A-21](#) and cost accounting standards set forth by the [Cost Accounting Standards Board \(CASB\)](#)

Account Balance Review

Service Center & Recharge Operations Account Balance Review

- There are different classifications of these types of organizations dependent upon the expenses associated with production of the goods and services:
 - Major Service Centers: total annual Direct Costs exceeding \$500,000
 - Minor Service Centers: total annual Direct Costs exceeding \$50,000 but not greater than \$500,000
 - Recharge Operations: total annual Direct Costs less than \$50,000
- All Service Center balances are to be at **+/-10% of the operating costs at FYE** as the University has established this as the tolerable threshold to meet UG/cost accounting standard requirements for service center rate calculations
 - Any deficit within the threshold may be carried forward into the new fiscal year and included in the future billing rates
 - Any surplus within the threshold must be carried forward into the new fiscal year and included in the future billing rates

Account Balance Review

Service Center & Recharge Operations Account Balance Review

- Review balances throughout the fiscal year to determine if **rates need to be adjusted** to ensure the final balance falls within the 10% threshold. As the FYE approaches final decisions need to be made on rate adjustments, if applicable.
 - Any excess surplus above the 10% of operating costs must be **refunded to the users on a pro-rata basis**
 - Review RFS Worksheet for deficit/surplus calculations
- [Policies and procedures for Service Centers](#) are in Appendix 4 of the Business Procedures Manual

Account Balance Review

Auxiliary Account Balance Review

- Auxiliary cost/funds centers (104314XXXX)
 - Post revenue using 4XXXXX G/L accounts
 - Post expenses using 5XXXXX G/L accounts
 - Post recharges using 6XXXXX G/L accounts
 - Post transfers using 7XXXXX G/L accounts
- Auxiliary cost/funds centers are reviewed **including** benefits
- All auxiliary balances are reviewed per individual cost center
- All auxiliary cost/funds centers **fund balances carry forward** into the new fiscal year
- Review balances to **ensure all deficits, or potential deficits are resolved** prior to fiscal year-end

Account Balance Review

Reports available for Account Balance Reviews

- BW
 - Funds Center Balances: Budget vs Actual
 - Ag State Funds Rollup by Acct (excluding benefits)
 - Ag State Funds Rollup by Exp Category (excluding benefits)
 - Ag Income Funds Rollup
 - Ag Restricted Funds Rollup
 - Ag VPR Funds Rollup
 - Ag All Funds Rollup (including benefits)
- SAP
 - KSB1 – Cost Centers: Actual Line Items
 - GR55 – Available Budget Report
- **Contact your Business Analyst with any reporting questions!**

| CAFE Due Date | Type | Business Transaction |
|---------------|----------------|---|
| 7/2/2021 | BW/SAP Reports | Review June transactions for non-project cost objects in SAP/BW so that corrections may be made prior to the preliminary close. |
| 7/7/2021 | BW/SAP Reports | Online June preliminary BW reports and detail transaction reports are available for viewing after noon. |
| 7/14/2021 | BW/SAP Reports | June monthly BW reports and detail transaction reports (after corrections) are available to campus. |

Questions



CNS Converged Fees

- Converged fee charges should be reconciled on a regular basis
- The cost distribution for the converged fees are at the [position level](#)
- If a position does not have a [IT9203 CNS Converged Fee Cost Distribution](#) then the default will be the [IT1018 for the position](#). Be aware of this for possible clearing account issues
- The converged fee cost distribution, for the position, should be reviewed prior to entering a personnel action
 - If there is more than one occupant, then [all of the occupants](#) of the position would be impacted.
 - Change can be requested by contacting the CAFE Business Center HR Team or your Business Analyst
 - Please note that changes will not be retroactive; a [JV would be needed to make changes to prior month charges](#)
- Grants, Federal Capacity Funds, Service Centers, State Sponsored Cost Centers and Clearing Accounts [cannot be used](#) for CNS cost distribution
- The Tableau [ITS Converged Fee Report](#) is a good tool for reconciliation. The report updates real time.

Budget Transfers

- Recurring (RCUR) Budget
 - Operational budget that is **ongoing from year-to-year**
 - RCUR BT request deadline is at the **end of January** during each fiscal year
- Non-recurring (NRCCR) Budget
 - **One-time support**, not to occur on an ongoing basis
 - NRCCR BT requests can be made until **July 12th**
- If you recognize a budget error, a NRCCR BT request should be sent to your unit's business analyst before the fiscal year-end deadline for processing
 - [BT Request Form](#)

| CAFE Due Date | Type | Business Transaction |
|---------------|--------|--|
| 7/12/2021 | Budget | Non-recurring budget transfers must be posted by Area Fiscal Officers. |

Open Transactions

- To prepare for year-end close, you **must process all unposted transactions**
- Some open transactions **cannot roll forward** into the new fiscal year and instead will be deleted
- For example:
 - Un-posted journal vouchers will be deleted
 - Missing goods confirmations result in suppliers not receiving a check payment and the expense not posting to the correct fiscal year
 - Open balance purchase orders can roll to the next year, but all related documents need to be in the correct status
 - Un-processed budget transfers will be deleted
 - Un-submitted deposits will be deleted
 - Un-processed travel reimbursement and expenditure reports will roll to the next year and the expense may not post to the correct fiscal year, the traveler will remain unpaid

Open Transactions

- All transactions need to have **departmental and college approval** completed as appropriate
- For each type of transaction that is open, please determine why the transaction is pending and then either:
 - **delete it**, if no longer needed; or
 - **resolve the issue and process it** for departmental and college approval

Journal Vouchers

- To **make corrections** and/or to **transfer a revenue or expense transaction** to a cost object and/or GL other than where it posted originally, a Journal Voucher will need to be created
- JV Workflow approvals are sent to approvers in the order in which they are entered in the workflow
- All JVs are to be **routed to your CAFE Business Analyst** by the due date in the schedule
- Once approved by the CAFE Business Analyst, the JV will be automatically routed to AFRS or RFS for final review and posting
- You are encouraged to **create JVs early if they are grant JVs over 120 days old** to enable all approvers to approve in a timely manner and prior to the fiscal year-end deadlines

Journal Vouchers

- Clearly mark all JVs as **OY (Old Year)** or **NY (New Year)** in the Doc.Header Text of the JV from **July 1st – 9th** before initiating the JV Workflow
- Old Year JVs **must have a posting date of June 30th** in order to post to Old Year.
- For assistance with the JV workflow process see the [Online JV Workflow Resources](#) made available by AFRS

| CAFE Due Date | Type | Business Transaction |
|------------------|------|--|
| 6/1/2021 (noon) | JV's | JV's for corrections to cash receipts and JV's related to expenses incurred or services provided and cost transfers for expenses posted prior to June 1 for all cost objects are due to the Business Center by noon, routed through the JV workflow. Note: Compliance with BPM E-10 also applies to sponsored projects. |
| 6/16/2021 (noon) | JV's | JV's for corrections to cash receipts and JV's related to expenses incurred or services provided and cost transfers for expenses posted June 1 through June 15 for all cost objects are due to the Business Center by noon, routed through the JV workflow. Note: Compliance with BPM E-10 also applies to sponsored projects. |
| 7/2/2021 (noon) | JV's | JV's related to expenses incurred June 16 through June 30 for all cost objects are due to the Business Center by noon, routed through the JV workflow. Note: Compliance with BPM E-10 also applies to sponsored projects. |
| 7/9/2021 (noon) | JV's | All JV corrections to June ledgers are due to the Business Center by noon, routed through the JV workflow. (This includes correction JV's for endowment funds, capital projects, cash receipts, encumbrances for purchase orders, etc.) |

Z4 - Payroll Correction Journal Vouchers

- University Financial Services established a new document type in SAP for payroll journal vouchers effective 7/1/17. The Z4 Payroll Adjustment document allows for **greater accuracy of payroll information** in SAP and for payroll confirmations.
- When using the Z4 document type, please note:
 - Each employee must be **entered separately** on the JV
 - Each pay period to be corrected must be **entered separately** on the JV
 - If correcting Overtime or Premium/bonus, complete the templates based on the information on the labor distribution as usual and include the template as documentation for the transaction
 - Formatting in the text and assignment fields are critical
- Specific guidance regarding Z4 documents can be found at the link below:
 - [How to process Z4 JV's](#)

Sponsored Projects (Grants/Contracts)

- Review costs charged against grant funds to ensure they are **allowable, allocable and reasonable**
- Review grant balances to ensure there are **no unexplained deficits**
- Process any required JV's to correct issues found as per the year-end calendar

| CAFE Due Date | Type | Business Transaction |
|-----------------|------------|---|
| 7/9/2021 (noon) | Grant JV's | June transactions posted to grants on or after the July 2, the JV MUST be reviewed in SAP and corrections (JV's) are due to the Business Center by noon, routed through the JV workflow. Only complete and accurate JV's for these specific errors will be posted to grant WBS elements (3XXXXXXXXX) at this time. Other JV's received for grants will not be processed in old year, even if the offset cost object is a cost center or internal order. Note: Compliance with BPM E-10 also applies to sponsored projects. |

Cash Receipts

- Ensure all cash receipts are **documented, deposited and recorded** in the appropriate fiscal year
- Deposits must be made according to year-end calendar
- Accruals may be recorded as necessary to record revenues in the appropriate year

| CAFE Due Date | Type | Business Transaction |
|---------------|---------------|---|
| 6/17/2021 | Cash Receipts | 4:30pm cut-off for Lexington locations to deliver cash and transmittals for cash on hand through June 17. |
| 6/17/2021 | Cash Receipts | Out-of-town locations must deposit all cash on hand in local banks prior to close of business. Imprest funds are excluded. |
| 7/1/2021 | Cash Receipts | Cash transmittals for cash on hand through June 30 for Lexington locations are due in Treasury Services by 3:30pm . Cash transmittals, deposit tickets for out-of-town locations and deposits made directly to PNC Bank must be delivered or faxed to Treasury Services at (859) 323-9911 by 4:30pm . |

Travel Reimbursements

- Ensure all June travel expense reports are **submitted through Concur** as per year-end deadlines
- Review [Tableau Concur Reports](#) to ensure travel expense reports move through the workflow to completion
- Any travel expense reports submitted after **July 6** are **not guaranteed** to be charged against the prior year budget

| CAFE Due Date | Type | Business Transaction |
|---------------|----------------|---|
| 6/2/2021 | Travel Reports | Concur travel reports related to travel expenses incurred prior to June 1 are due to AP via the workflow. |
| 6/17/2021 | Travel Reports | Concur travel reports related to travel expenses incurred June 1 to June 15 are due to AP via the workflow. |
| 7/6/2021 | Travel Reports | Concur travel reports related to travel expenses incurred June 16 through June 30 are due to AP via the workflow. |

Payment Documents

- Ensure **all expenditures are documented** with payment vouchers and/or receipts/invoices
- Ensure all June expenditures are processed for payment by July 6 (invoices, bills, reimbursements, etc)
- Accruals may be recorded as necessary to record expenditures in the appropriate year

| CAFE Due Date | Type | Business Transaction |
|---------------|-------------------|---|
| 6/2/2021 | Payment Documents | PRD's, disbursement requests, imprest cash reimbursements, and purchase order invoices related to expenses incurred prior to June 1 due to AP. |
| 6/17/2021 | Payment Documents | PRD's, disbursement requests, imprest cash reimbursements, and purchase order invoices related to expenses incurred June 1 to June 15 due to AP. |
| 7/6/2021 | Payment Documents | All PRD's, disbursement requests, and imprest cash reimbursements related to expenses incurred June 16 through June 30 should be completed and delivered to AP. |

Procurement Cards

- Ensure **all procurement card transactions are documented** with procard vouchers and detailed receipts
- Ensure all credit card expense reports are **submitted through Concur** as per year-end deadlines
- Review [Tableau Concur Reports](#) to ensure procard expense reports move through the workflow to completion
- Accruals may be recorded as necessary to record credit card transactions in the appropriate year

| CAFE Due Date | Type | Business Transaction |
|---------------|------------------|---|
| 6/15/2021 | Pro Card Reports | Concur pro card reports related to expenses incurred prior to June 1 are due to AP via the workflow. |
| 6/30/2021 | Pro Card Reports | Concur pro card reports related to expenses incurred June 1 through June 15 are due to AP via workflow. |
| 7/6/2021 | Pro Card Reports | Concur pro card reports related to expenses incurred June 16 through June 30 are due to AP via workflow. If you need assistance with pro card issues, please contact procard@email.uky.edu . |

Questions



Accruals

- A method of measurement in accounting that ensures **all transactions are recorded** when **expenses are incurred** or **revenues are earned**, regardless of when **cash payment is made or received**
- Four types of accruals used at year-end:
 - Accounts Receivables (AR)
 - Accounts Payables (AP)
 - Deferred Revenues (DR)
 - Prepaid Expenses (PE)
- Accruals will be **entered in the old year and reversed in the new year**

Accounts Receivable

- Used when departmental goods or services have been **provided on, or before June 30th**, but for which **payment will not be received** from the customer until July 1st or later
 - Ex: Lab testing service provided on June 25th, but payment from the customer is not expected until July 15th
 - Accounts receivables should be recorded **regardless of amount or fund source**
 - An aging of the accounts receivables should be provided and reviewed to determine if write-offs are necessary

Accounts Receivable

- Create a list of revenues for goods and services **provided by UK prior to July 1st** for which a payment has not been received
- To make a request, please email a justification for the accrual when requested by the CAFE Business Center
- In addition to the justification for the accrual, provide the cost object, G/L account, dollar amount, and documentation supporting the accrual and purpose of the accrual **by noon, July 1st**
- Approved requests will be posted in period 13

| CAFE Due Date | Type | Business Transaction |
|---------------|------|--|
| 7/1/2021 | AR | A list of revenue for goods and services provided by UK prior to July 1 for which payment has not been received is due to the Business Center so that an accounts receivable may be recorded in old year. The memo must be sent by email to your business analyst or delivered to the Business Center and must include the cost object, G/L account, amount, justification and supporting documentation for recording the accrual. |

Accounts Payable

- Used when departmental goods or services have been **received before June 30th**, but for which **payment will not be made until July 1st or later**
 - Ex: Equipment item ordered in May, received in late June, but invoice receipt and payment is still pending as of July
 - Payables for goods/services will be **established automatically thru July 30**
 - All invoices dated on or before June 30th and processed by departments on PRD's, Travel Expense Reports, Procard Expense Reports and Purchase Orders, will be reviewed and the accrual posted automatically
 - All items for which a payable is being requested must be received and on hand by June 30th. Items received after June 30th should expense to new year funds

Accounts Payable

- A written request for an accrual will only be required when the department has not received and processed the invoice by July 30. (Invoice date must be on or before June 30th)
- To make a request, please email a justification for the accrual when requested by the CAFE Business Center
- In addition to the justification for the accrual, include the PRD/Travel Voucher/PO number, cost object, G/L account, dollar amount, and purpose of the expense by noon, July 30th
- Approved requests will be posted in period 14

| CAFE Due Date | Type | Business Transaction |
|------------------|-------------|--|
| 7/29/2021 (noon) | AP Accruals | Departments that have received goods and/or services purchased by PRD on or before June 30, but have not processed a payment document because an invoice has not been received from the vendor, must request that Accounts Payable Services establish a "payable" for the items received regardless of cost object, including grants . All requests to establish payables are due in to the Business Center by noon . The request must be sent by e-mail to your business analyst, and it must include the PRD number, cost object, G/L account, amount, purpose of expense and justification for the payable accrual. |

Deferred Revenue

- Used when revenues are **received before July 1st**, but for which the goods or service will **not be provided until after June 30th**
 - Ex: Revenue from customer for attendance at a workshop is received on June 25th, but the workshop will not be held until July 25th
 - Deferred revenues should be recorded **regardless of amount or fund source**
 - Please make your analyst aware should you require any of these entries by noon July 1st

Prepaid Expense

- Used when goods or services are **purchased and paid for before July 1st**, but for which the good or service will **not be used until after June 30th**
 - Ex: Registration for a conference is paid on June 25th, but the conference will not be held until August 15th
 - Prepaid expenses should be recorded **regardless of fund source but only when the amount exceeds \$5,000**
 - Please make your analyst aware should you require any of these entries by noon July 1st

Bi-weekly Payroll Accrual

- Bi-weekly Payroll Period #14 typically **includes dates before and after July 1st**
- In order to post the June dates to the old year and the July dates to the new year, an estimate will be computed based on the Biweekly payroll period #13 (**80% of period #13 for FY21**).
- The estimated amounts will be accrued to the old year with a reversing entry in the new year.

Capital Projects (Plant Funds)

- Monitor existing Plant Fund projects to ensure there are no deficit balances at year-end
- Process JV's as necessary to make corrections as per the year-end calendar
- New Plant Funds must be established as per the year-end calendar – submit paperwork well before the deadline to allow for processing time

| CAFE Due Date | Type | Business Transaction |
|-----------------|------------------|--|
| 6/14/2021 | Capital Projects | New capital project establishment forms for FY21 projects are due to the Business Center . |
| 7/1/2021 | Capital Projects | June corrections on capital project cost objects MUST be delivered to the Business Center . |
| 7/9/2021 (noon) | JV's | All JV corrections to June ledgers are due to the Business Center by noon, routed through the JV workflow. (This includes correction JV's for endowment funds, capital projects, cash receipts, encumbrances for purchase orders, etc.) |

Year-end Physical Inventory & Adjustments

- In order to properly account for inventories as assets of the University at the end of each fiscal year, it is necessary to make a **complete and accurate physical count** of all inventory items as of June 30th
- Inventories must be valued and counted when the **cost of goods on hand exceeds \$50,000**
- Physical inventory includes merchandise for sale (resale items for food service and University Press), supplies in general storerooms (office supplies, fuel, maintenance items and goods not yet expensed), animals, and animal and feed supplies of farm operations
- Items that have been charged as expense, such as basic office supplies, **should not be included in inventory** even though they may be on hand in limited quantities in departments

Year-end Physical Inventory & Adjustments

- [BPM E-10-2](#) establishes Purpose, Responsibilities, Policy and Procedure regarding Inventory Adjustments
- The CAFE Business Center collects and prepares year-end inventory counts/adjustments from CAFE departments and submits those adjustments to AFRS in order to update your departmental account balances at year-end
- Info and reminders will be sent out to the appropriate departments regarding when the business office will need the departmental inventory counts/valuations in order to collect, review and prepare the adjusting entries
- **Please submit your departmental inventory counts/valuations info to the CAFE Business Center by June 30.**
- **NOTE:** Inventory adjustments are balance sheet transactions at year-end that **could have a significant impact on your department's year-end balance**

Leave Reporting

- Ensure **all leave taken on, or before, June 30** is recorded in SAP by the required deadline (using MyUK or mobile MyUK)
- Once all leave has been recorded, the university will record the required accrual entries for unpaid leave on the books
- By ensuring that all leave taken is recorded by the deadline, the accrual for unpaid leave will be more accurate

| CAFE Due Date | Type | Business Transaction |
|-----------------|------------------|--|
| 7/1/2021 (noon) | Vacation Accrual | All vacation and temporary disability leave taken on or before June 30 must be entered in SAP by noon. |

Business Center Contacts

| Name - Title | Phone | Email |
|--|--------|--|
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Questions

