FY17 Year-End Process

Division of Finance

June 2017
Agenda

Fiscal Year-End Closing Process

1. What is Stevens Fiscal Year-End?
2. How Can You Prepare for the Financial Closing Process?
3. Key Dates
4. Revenue / Expense – Does it belong in FY17 or FY18?
5. Purchase Orders and PCard Transactions
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What is Stevens Fiscal Year-End?

*Fiscal year is July 1st through June 30th*

- Year-end close is performed to finalize all of the transactional activity for an entire fiscal year. Processes are performed to ensure that all transactions are posted and reflected in the financial reports.

- Most processes at year-end are similar to those that occur throughout the year. The only new process for year-end is proper management of June and July cut off dates, to determine which fiscal year a transaction relates to.
How Can You Prepare for the Close?

*Things you may know from prior years:*

- Review your accounts in KFS and investigate any unusual or incorrect transactions.

- Review Salary Reports.

- Identify and set up delegates in KFS who can perform the necessary actions in the event of your absence.
  - Remind deans, associate deans, faculty & department chairs.
  - Contact finance support for assistance if needed: finance-support@stevens.edu 201-216-8000

- Review the open purchase order report sent by Purchasing.
  - Close if vendor paid in full or increase as needed.
How Can You Prepare for the Close?

Call vendors for invoices if you are aware they have not yet been received (especially for large items).

- Invoices should e-mailed directly to A/P if related to POs.

Call customers to expedite payments due to us and insure that they are deposited before the end of June.

Do not hold invoices to avoid FY17 expenses.

P.S. This is our Accounts Payable Manager behind closed doors.
Key Dates – June 2017

June 7th
Departments can enter FY18 Purchase Requisitions.

June 15th
All FY17 Purchase Requisition e-docs including Shop Catalogue are due in FINAL status by 5 PM.
This ensures the expense is included in FY17.

June 22nd
Payroll Account Allocation Changes for the 7/1 bi-weekly payrolls (hourly and salaried) and the June monthly payroll should be entered and approved by NOON in Workday.

June 23rd
Disbursement Vouchers (DV’s) for Sponsored Accounts must have all approvals by 5 PM.
This is so they can be reviewed by Sponsored Accounting by month-end.

June 28th
Final day for FY17 PCard purchases (Allow 24-48 hours for processing).

June 29th
For inclusion in the June 29th check run, Disbursement Vouchers (DV’s) need ALL approvals by 11 AM.

June 30th
Deposits must be made to Student Service Center by 4 PM.

June 30th
Salary Transfers for January to May need to be in FINAL status by 5PM.

June 30th
Final day for receipt of goods for FY17.

June 30th
PCard: review and approve ALL FY17 expense reports in Concur by 5PM.
Key Dates – July 2017

July 5th  Indicate the fiscal year for which the goods/services were purchased in the “Note Text” box of the Notes and Attachments tab, if the invoice doesn’t clearly indicate it.

July 5th  Begin using the Year End Salary Transfer (YEST) e-doc, not ST.

July 6th  Last check run for FY17 PREQs that post to FY17 automatically.
          PCard holders: Submit reports to approvers in Concur.

July 12th  FY17 correcting e-docs (GEC, DI) must be in FINAL status by 5PM.
          **PCard: Final chance to review and approve ALL FY17 expense reports in Concur by 5PM.**
          FY17, Period 12 closes.

July 13th  FY17, Period 13 opens.

July 14th  First FY18 check run for both PREQs and DVs.

July 19th  Year End Salary Transfers (YEST) for June must be in FINAL status.
          FY17 final correcting e-docs (DI, GEC) in FINAL status by 5PM.

July 20th  FY17 Period 13 closes to campus.

July 31st  Last day for entries by Finance (accruals, deferrals, prepaids, etc.)

AUGUST  Roll forward of FY18 beginning balances in Kuali, as well as budgets for Sponsored and Capital projects.
Revenue - Does it belong in FY17 or FY18?

Did Stevens perform services before June 30, 2017 for which money is still owed to Stevens on June 30th?

- If yes, was an invoice sent to the “customer” and has it been recorded in Kuali as a receivable?
- If it has not been recorded, please contact the Jamie Houghtaling, Interim Controller, about recording a Receivable to ensure that Revenue will be recognized this fiscal year (when it was earned).

OR

Did Stevens perform services after June 30, 2017?

- If the services will be performed after June 30th, the revenue should not be in FY17.

Have you deposited cash received in FY17 for services that Stevens will render after June 30th?

- If yes, this is considered to be Deferred Revenue. Please contact the Jamie Houghtaling, Interim Controller, about recording a Deferral to ensure that Revenue will be recognized next fiscal year (when it will be earned).
Expense – Does it belong in FY17 or FY18?

➢ Were all goods received and services performed by June 30th?
  ▪ If yes, the expenses are for FY17.
  ▪ If only some were received, the cost of those received should be in FY17 and the balance in FY18.

If the goods or services were received in FY18, you cannot charge them to FY17 just because the account has unspent budget dollars.

➢ What if the account does not have enough budget left?
  ▪ Please contact your budget coordinator or the budget office.

It should not be put into FY17 if it was received in FY18.

➢ What if receipt of goods or services are delayed for a FY17 PO?
  ▪ Goods and services received in FY18 cannot be processed against a FY17 PO.
  ▪ Close the FY17 PO to unencumber the remaining balance and open a new PO in FY18 for the items received after June 30th.
Purchase Orders & PCard Transactions

• FY17 purchase requisitions must be in FINAL status by June 15th
  ▪ This allows Procurement time to create the Purchase Order  
  ▪ Time for the goods or services to be received on or by June 30th.

• Invoices for all open FY17 Purchase Orders should be received in Accounts Payable by Wednesday, July 5th (end of day).

• The cutoff date for PCard transactions is June 28th
  ▪ Although there are exceptions, most charges take 24-48 hours to post to 
    the PNC account in Concur (depending on the vendor).
  ▪ Any charges posted to PNC after June 30, 2017 will be a FY18 expense.

• All PCARD expense reports must be assigned to an expense report and have 
  ALL approvals in Concur by Wednesday, July 12th.

• If the PCARD expense relates to FY18 (i.e. travel, conference, etc.), once the 
  expense is in Kuali in FY17 a DI edoc must be done to allocate the charge from 
  that expense object code to #1320 Prepaid Expense. These can be done 
  through Period 13 (July 20th).
Designating the Fiscal Year on Requisitions & DVs

For requisitions:
Select the fiscal year using the dropdown box in the *Year field based on when the goods will be received or the services performed.

For DVs:
If the fiscal year in which the services were rendered is not clear on the invoice, please use the “Note Text” box.
• Remember to click the “Add” button to the right of the Attached File box!
Accounts Payable will be reviewing all invoices to ensure expenses are recorded in the appropriate fiscal year.

Please put them in the right fiscal year!

All invoices will also be subject to review during the KPMG audit.
Salary Transfers

**Salaries Paid for January through May 2017**

- Use **ST** (Salary Transfer e-doc)
- Transfers must be in FINAL status by Friday, June 30th.

*Effort Certification for this period will not begin until July this year, so no transfers can be allowed after June 30th at 5 PM.*

**Salaries Paid for June 2017**

- Also use **ST** (Salary Transfer e-doc) if the transfer is in FINAL status by June 30th, 5 PM.
- Use the **YEST** (Year End Salary Transfer e-doc) if the transfer is initiated on or after July 1, 2017.
- All Year-End Salary Transfers related to fiscal year 2017, need to be in FINAL status by Wednesday, July 19, 2017.
FY17 DV’s and PREQ’s

How long do you have to enter FY17 expenses?

- PREQs must be entered in time to be included in the July 6th check run for the expense to be included in FY17 automatically.
  - After July 6th the amounts paid will need to be accrued by Finance to be included in FY17.

- DVs entered and approved by Accounts Payable by June 30th are automatically included as expense for FY17.

Finance will continue to accrue FY17 expenses paid through July 31st.
When is an Accrual or Prepaid Needed?

Accrue the expenses into FY17

- When the goods or services were provided in FY17 but the expense was recorded in Kuali (KFS) in FY18.

Record as Prepaid in FY17

- If payment is required prior to July 7th and the goods or services will be received or performed in FY18.
Accruals

How are accruals recorded in FY17?

All PREQs submitted and approved after July 6th and DVs approved after June 30th, will be charged to FY18 by Kuali (KFS).

- Accounts Payable will review these DVs and PREQs to determine if the expense needs to be accrued for FY17.
- Finance will accrue FY17 expenses via a Journal Voucher (JV).

The JV e-docs will appear in the June 2017 ledger as:
- A Debit to the department’s expense object code (#6XXX) and
- A Credit to the department’s accrued expenses liability object code (#2105).

What are the Related Entries for FY18?

- The JV e-doc will be auto reversed (credit);
- The DV or PREQ e-doc will record the expense to FY18 (debit); and
- The Credit from the JV plus the Debit from the DV or PREQ will result in a net expense of $-0- in FY18.
Prepaid Expenses

How will a user designate a prepaid expense for FY17?

Please use the prepaid expense object code (#1320):

• If the payment will be via a DV on or before June 30th OR
• If the payment will be made via a PREQ on or before July 7th

➢ If it’s not clear why this is a prepaid expense, enter an explanation in the “Notes” field.

Only charge the prepaid object code #1320 if the invoice has to be paid prior to the above dates.

What are the related entries in FY18?

Department prepares a Distribution of Income and Expense (DI) to reclassify the amount from prepaid expense to expense in July 2017 (FY18).

➢ The DI should move amount FROM the prepaid expense object code (#1320) TO your department’s expense object code (#6XXX).
➢ This can be done as soon as Period 1 for FY18 is open (July 1st).
## Contact Information

<table>
<thead>
<tr>
<th>Contact Name</th>
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All the above are extensions for 201-216-XXXX
Questions

finance-support@stevens.edu

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