

Washburn University Memorandum

To: All Faculty and Staff
From: Marsha Stromgren, Director of Accounting
Date: May 1st, 2023
Subject: Year-End Financial Closing Procedures

This memo outlines the procedures and key dates associated with closing the fiscal year ending June 30th, 2023. If you have any questions or need additional clarification, a list of contacts is provided below.

In the guidance below, a “FY23 purchase,” is a purchase where the goods are received, or services are rendered on or before June 30th, 2023. A “FY24 purchase,” is a purchase where the goods are received, or services are rendered on or after July 1st, 2023. The date of the purchase order, vendor invoice, employee reimbursement, or travel reimbursement does **NOT** determine which fiscal year an expense is reported in.

To use your FY23 funds the items must be received by June 30th, 2023 or the service must be completed by June 30th, 2023.

Please detach the “Checklist” page at the end of this memo and post around your office for a quick reminder of the important upcoming deadlines. We will also be having small group training sessions for any office which needs help and reaches out to us about their year-end payments, accruals, etc.

Guidance on specific items is located on the following pages:

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Requisitions, Purchase Orders, and One Card Transactions

Procedures: To help avoid confusion about which fiscal year a requisition and related PO fall into, we have instituted a “dead period” of June 9th through June 30th. ***If you need a PO to be issued before June 30th, you must submit the requisition before June 2nd.*** Requisitions received during the dead period will be processed only if they are urgent (i.e., the PO must be issued by June 30th) and you contact Purchasing beforehand for final approval.

If you do not need a PO issued before July 1st, do not submit the requisition until July 1st or later. This will avoid issues encountered in Banner with requisitions, PO’s and payments crossing the June 30th fiscal year-end. If such a PO is issued before June 30th, please request Purchasing cancel the PO and reissue it with a date of July 1st or later.

Remember the date of a PO does not determine the fiscal year in which the purchase is recorded. In order to be charged to your FY23 budget, goods must be received or services rendered by June 30th, 2023. Issuance of a PO before June 30th will encumber your FY23 budget, but if the goods/services are not received until July or later, your FY24 budget will be charged for the actual expense.

If you need the items within the first 7-10 days of July, we request you wait until July 1st, or later to prepare the requisition.

If a PO intended for FY24 is issued, and the goods/services are received on or before June 30th, the expense will be charged to FY23.

Additional information about One Card specific year end procedures will be distributed to cardholders and approvers in early June.

Refer questions about requisitions, PO’s, and One Card transactions to Kathy Pflaum.

Cash Receipts

University cash handling policy requires cash receipts to be deposited on the next business day following receipt; if receipts are less than \$50 weekly, deposits may be made weekly. To ensure all FY23 revenue is recorded in the proper period, cash receipts for FY23 revenues ***must be*** deposited with the cashiers by Friday, June 30th at 1:00 pm.

Cash deposited after June 30th will be recorded as FY24 revenue.

Refer questions about cash receipts to Mary Gruber.

Payroll

Procedures: This section addresses supplemental pay and FLAC records only. Regular payrolls will be processed via normal procedures and listed due dates are on the 2023 pay calendars.

Supplemental pay relating to services performed in FY23 must be charged to the FY23 budget. To do this, supplemental pay forms (available at <http://www.washburn.edu/faculty-staff/finance-office/forms.html>) must be submitted to VPAA/VPAT (for approval) no later than Friday, June 16th.

This includes any June adjunct contract payments (on paper) to VPAA and any FLAC records needing to be acknowledged by faculty in banner. Please email signed copies to vpadocs@washburn.edu if they are for faculty, and email any staff supplementals to Luther.Lee@washburn.edu. Both VPAA and VPAT will forward onto payroll for processing after they have been approved.

Any payroll redistributions for FY23 needing to be processed must be submitted to payroll by Monday July 17th. These will be completed by July 28th.

Refer questions about payroll to Michele Drees.

Inventory

Procedures: This section refers to supply inventories maintained by Facilities Services, UMAPS, Tech warehouse, Cosmetology, and retail inventories in Memorial Union.

The physical count of inventories is to take place as of June 30th. By Friday, July 7th, physical inventory reports consisting of description, quantity, and historical cost by item should be submitted to Accounting. The value of the inventories is generally historical cost, not current retail or market value. Cost is determined on the first-in, first-out (FIFO) basis.

Any inventory considered to be obsolete, unusable, or unable to be sold should *not* be included in the physical count. Under certain circumstances, the physical count may be performed prior to June 30th. However, early count dates entail additional accounting cut-off procedures. Thus, early counts are discouraged. If you wish to perform an early count, contact Marsha Stromgren.

Refer questions about inventory to Marsha Stromgren.

Journal Vouchers

Procedures: This section addresses any Journal Voucher to be processed for FY23 to correct expense/revenue postings, move expenses to correct lines, post chargebacks to departments, etc.

All FY23 journal vouchers must be received in the accounting office by Monday, August 14th. Any journal vouchers received after this date will not be processed as the FY23 books will be closed for entries and no more entries backdating items to June 30th will be processed.

Refer questions about journal vouchers to Mary Gruber or Marsha Stromgren

Travel Expense Reimbursements

Procedures: Travel expense reports are normally due to Accounts Payable within 60 days of the travel. At year-end, however, this period is shortened to better align expenses with the fiscal year in which the travel occurred. Travel expense reports for FY23 travel should be submitted to Accounts-Payable, by Friday, July 14th.

If a travel period extends beyond June 30th, into FY24, travel reimbursements will be charged to the fiscal year in which the majority of the travel took place.

Refer questions about travel expense to Amy Schmidlein or Tammy Parsons.

Vendor Invoices and Employee Reimbursements

Payments to vendors and employees are charged in the fiscal year in which the goods are received (by Washburn) or the services are performed. **To use your FY23 funds for payment the goods & services must be received by June 30th. Ordering the items prior to June 30th does not encumber FY23 funds for the purchase. The items MUST be received and on campus as of June 30th to encumber and use FY23 funds.**

Procedures: Vendor invoices fall into one of four categories:

1. Invoices received on or before June 30th, for FY23 purchases.
2. Invoices received after June 30th, for FY23 purchases.
3. Invoices received on or before June 30th, for FY24 purchases.
4. Invoices received after June 30th, for FY24 purchases.

A *FY23 purchase/expense* is a purchase where the goods are received or services rendered on or before June 30th, 2023. A *FY24 purchase/expense* is a purchase where the goods/services are received on or after July 1st, 2023.

Invoices in categories (1) and (2) should be sent to Accounts Payable by Friday, July 14th. ***Please also clearly mark them as FY23 purchases and list the date the items were received on campus.*** Invoices in categories (3) and (4) should be **held in the** department until the goods/services are received, then sent to Accounts Payable for processing.

If you received the items by June 30th, and still have not received an invoice for an FY23 purchase by July 14th, please contact the vendor and request it. **The expense will then need to be recorded on an Accrual Worksheet in order for it to be charged against your FY23 budget.** Accrual information must be submitted by Friday July 14th. Please see the next section for more information about accruals.

Refer questions about expenses and accounts payable to Tammy Parsons or Amy Schmidlein.

ACCRUALS

Expense Accruals, Accounts Receivable and Unearned Revenue

The University follows General Accepted Accounting Principles (GAAP) which requires following accrual-based accounting. An accrual is a means of recording either 1) Expenses that have been incurred but have not yet been invoiced or paid/recorded in the general ledger (expense accrual). 2) Revenues that have been earned, but not yet received/recorded (Accounts Receivable). 3) Revenue that has been deposited for a service or item Washburn has yet to provide the vendor (unearned revenue).

The accrual allows the University's financial statements to accurately reflect the current fiscal year revenues and/or expenses. In the next fiscal year, the accruals for the prior fiscal year will be reversed from the balance sheet so expenses are not double counted when paid in the next fiscal year. Accruals are automatically reversed on the first day of the new fiscal year.

Samples of Accruals:

1) Expense Accrual Entry:

When is an Expense Accrual Entry needed?

Answer: A department should create an Expense Accrual entry when they have incurred an expense for the current fiscal year (FY23) and the expense will not be paid prior to the July 14th, cutoff date.

For instance; you received some furniture on June 28th, but by July 14th, you still can't get the vendor to send an invoice. Even though the purchase was on a PO, you still need to record this expense as an accrued expense since the items were received by June 30th. If you **do not** record this as an accrual, the PO will roll to FY24, and once the payment is sent to AP for processing later in July, the payment will use FY24 funds rather than the planned (and correct) usage of FY23 funds. By putting this expense on your accrual list, you will be able to use FY23 funds to cover this FY23 expense by way of an accrual Journal Voucher which will be posted.

2) Accounts Receivable Entry:

When is an Accounts Receivable Entry needed?

Answer: A department should create an Accounts Receivable entry when they have earned revenue in the current fiscal year, and payment for that revenue will not be received until the following fiscal year. A bill must have been sent out by end of day on June 30th requesting payment.

For instance, Residential Living has a camp group stay in the Residential Hall the last week of June, but the camp sponsor has not yet paid the bill, as of June 30th. An accounts receivable entry will need to be recorded to show this revenue as the current fiscal year income.

3) Unearned Revenue (or Deferred Revenue) Entry:

When is an Unearned Revenue Entry needed?

Answer: If your department has received, and deposited revenue in the form of cash, check, or credit that relates to a program, event, etc., which is for the next fiscal year, this revenue needs to be deferred until the next fiscal year. This ensures revenue is not overstated in the current fiscal year, and the revenue, and expenses are recorded in the same fiscal year.

For instance, Athletics receives camp registrations in June for a camp which will be held in July. An entry is needed to record the registrations (deposited in June) as unearned revenue so it can be shown as July revenue and be posted in the same accounting period as the camp expenses.

A new accrual form is attached for you as well as a sample of how to fill it out. You should use the electronic version (excel format) which is online under Finance Forms (General Accounting section).

Also, please detach, post and use the Year End Checklist to help your department meet all the important upcoming deadlines.

Refer questions about accruals to Mary Gruber.

Contacts

Name	Department	Email	Phone
Debbie White	Finance Office	debbie.white@washburn.edu	1859
Kathy Pflaum	Purchasing	kathy.pflaum@washburn.edu	2312
Amy Schmidlein	Accounts Payable	amy.schmidlein@washburn.edu	2035
Tammy Parsons	Accounts Payable	tammy.parsons@washburn.edu	2044
Mary Gruber	Accounting	mary.gruber@washburn.edu	2031
Marsha Stromgren	Accounting	marsha.stromgren@washburn.edu	2314
Alex Deters	Grant Accounting	alex.deters@washburn.edu	2036
Michele Drees	Payroll	michele.drees@washburn.edu	2348
Jan Crawford	Accounting/Insurance	Jan.crawford@washburn.edu	2043

Year End Department Checklist

Check when completed	Date	Item	Action	Why
	May 1 st	Faculty Travel & Reimbursements	Remind Faculty to submit receipts for year-end processing prior to their departure for the semester.	To insure invoices & reimbursements are processed before FY end.
	May 1 st	Department orders for June	To purchase with FY23 funds, prepare the PO and order items for delivery by June 30 th .	Items must be received by June 30 th , to use FY23 funds.
	June 2 nd	Submit final FY23 PO's	Last day to submit FY23 PO's to purchasing.	PO's will not be processed for FY23 purchases from June 9 th - 30 th
	June 16 th	Payroll	Submit exempt staff supplementals to VPAA/VPAT and make sure all FLAC contracts for Summer courses are accepted and approved in FLAC.	To make the payroll cutoff date for all June payroll.
	June 15 th	Vendors we owe	Items received, but no invoice? Contact vendors requesting the invoice.	Need to submit to AP to use FY23 funds by July 14 th .
	June 24 th	One Card	One Card charges after this date will be charged to FY24 (no exceptions).	One Card cutoff is June 24 th .
	June 30 th	Deposits	Submit all deposits (cash receipts) to the business office by 1PM.	For the bank cutoff timing for year-end reconciliation.
	June 30 th	Who Owes us money	Have we (or do we) need to bill for services/purchases rendered in FY23, if so send bills out and add them to the Accounts Receivable Accrual listing.	To properly record income for FY23.
	June 30 th	Who paid early	Did someone pay us in FY23 for services we will provide in FY24, if so add to the Unearned Revenue Accrual listing.	To properly record FY24 income.
	June 30 th	Inventory	For those units having supply inventories, take inventory counts and submit to Accounting by July 7 th .	So FY23 inventories can be recorded at the accurate amount.
	June 30 th	FY23 purchases	Goods must have been received or services rendered in order to be shown as a FY23 expense.	To properly record FY23 expenses and use FY23 funds.

Year-End Closing Procedures

Check when completed	Date	Item	Action	Why
	July 14 th	Vendors & employees we owe	Last day AP will accept FY23 invoices for payment against FY23 funds.	To meet the AP cutoff for FY23 purchases.
	July 14 th	Vendors we owe	Add any remaining FY23 purchases (items received by 6/30, not yet paid for) to the expense accrual listing.	To properly record FY23 expenses and use FY23 funds.
	July 14 th	Accrual list	Review expense accruals, accounts receivable accruals, and unearned revenue accruals and submit your final list to accounting.	To properly record FY23 accruals.
	July 17 th	Payroll	Submit FY23 Payroll redistribution forms to payroll for processing.	To charge the correct FOAPAL for any errors during the year.
	Aug 1 st	Budgets	Make sure your FY23 budgets look correct and ask if you think something was posted incorrectly, you may need to prepare a journal voucher.	To make sure all items are paid, and posted correctly.
	Aug 14 th	Journal Vouchers	Last day to submit a FY23 journal voucher which needs posted.	To make sure all items are paid, and posted correctly.

WASHBURN UNIVERSITY FISCAL YEAR END ACCRUAL FORM

Form must be submitted to the Accounting office by the due date listed in the year end closing memo

FISCAL YEAR END CLOSING ACCRUAL OF EXPENSE

This is to record an expense that has been incurred (item received by June 30th) but not yet paid by the July cutoff date

All expenses must be itemized by vendor name, purchase order number, and amount

- Steps:
- 1) June 30th make a list below of all items that you have received (or services completed) which you still do not have an invoice for.
 - 2) June 30th call vendors for the missing invoices and ask them to send ASAP.
 - 3) During the first two weeks of July, any invoice received can be sent to AP for payment, (please mark the date the item were received) and remove those items from this list.
 - 4) Attach appropriate supporting documentation for each accrual listed and submit your final list to Accounting by the July due date.
 - 5) Do not list an expense accrual if you have already sent the invoice to Accounts Payable for processing by the July cutoff date.

Vendor Name	Vendor Win:	Item:	PO #	Date Received:	Fund:	Org:	Account:	Program:	Activity:	Location:	Amount:
XYX Corp	W12345678	Office supplies	NA	6/29/2023	100000	300000	710600	11000			\$ 350.00
John Doe	W99999999	Travel to conference	NA	6/20-6/28/23	100000	300000	700500	11000			\$ 2,500.00
ABC company	W8888888	Office Chair	P0099999	6/27/2023	100000	300000	723100	11000			\$ 245.00

These are samples only to show you how to fill the form out and/or what kind of information to include

FISCAL YEAR END CLOSING ACCRUAL OF EXTERNAL INCOME (Accounts Receivable)

This is to record income that has been earned (services performed by June 30th) but not yet paid for by the customer

All revenue must be itemized by payor, item, and amount

- Steps:
- 1) June 30th take your deposits for any income received to the cashiers by 1PM.
 - 2) June 30th send out bills to all remaining customers that have not yet paid for current FY services.
 - 3) June 30th, list below each customer billed that owes you for services performed during the current FY.
 - 4) Attach appropriate supporting documentation for each accrual listed, preferably a copy of the bill you sent the customer, and send to Accounting by the July due date.
 - 5) When you receive the revenue in the following fiscal year, deposit the revenue to the same FOAPAL listed below.

Customer Name:	Item:	Date of service:	Fund:	Org:	Account:	Program:	Activity:	Location:	Amount:
Girl Scouts	Room Rental	6/17/2023	100000	300000	562100	200000			\$ 200.00
USD 501	DayCamp Day at Washburn - food	6/28/2023	100000	300000	590270	200000			\$ 150.00
Jock's Nitch	imprinted notebooks	6/23/2023	100000	300000	590250	200000			\$ 850.00

These are samples only to show you how to fill the form out and/or what kind of information to include

FISCAL YEAR END CLOSING DEFERRAL OF EXTERNAL INCOME (Unearned Revenue)

This is to record income that has been received but not yet earned (services/goods will be provided to the customer in the next fiscal year)

All revenue must be itemized by payor, item, and amount

- Steps:
- 1) June 30th make a list of all revenue you have deposited that is unearned (the goods/services have not yet been provided to the customer).
 - 2) List the date the service/item will be provided to them in next fiscal year.
 - 3) Attach appropriate supporting documentation for each accrual, preferably a copy of the deposit previously made and submit to Accounting by the July due date.

Customer Name:	Date Deposit Made:	For what service/Item & date:	Fund:	Org:	Account:	Program:	Activity:	Location:	Amount:
The Boy Scouts of America	6/20/2023	Building Rent for 7/20/23	100000	300000	562120	20000			\$ 200.00

These are samples only to show you how to fill the form out and/or what kind of information to include