YEC PROCESS TRAINING
Agenda

• Meaning of Life
• YEC Timeline – High Level
• Accruals
• Fund Balance Monitoring
• Reminders
• Other Neat Things
• YEC Timeline – Major Deadlines
• Q+A with A
Trivia Time

• How many invoices have been paid in FY17 so far?

263,100

• Which sports field on campus is the oldest continuous use field in the country for its sport?

Coleman Field – Baseball circa 1907
YEC – 101

• Reconcile
• Close Books
• Financial Statement Accuracy
• Accountability
• Its Fun!
Timeline

6/6/2017
TODAY
· Cash Receipts
· Payroll Re-Distribution

6/30/2017
CASH CLOSE
· Invoice Entry
· FUPLOAD Posting
· Other Internal Charges
· Pcard Transactions

7/10/2017
PERIOD 12 CLOSE
· JV Corrections
· Accruals
· Fund Balance Monitoring
· Reconciliation
· FS Reimbursements

7/17/2017
Campus Lockout
· AP Accruals
· Foundation Accruals
· Grant Accruals
· Closing Entries

7/18/2017
AP Accruals Due
OSUF Reimb. Deadline
ACCRUALS

All about the financial statement accuracy

Accrual accounting reports transactions based on when the revenue and expense is incurred **NOT** when it is paid or received.
Accruals Cont.

Two Main Categories of Accruals

• Revenue Accruals
  • Income earned but not received (A/R)
  • Income received but not earned (Unearned Income)

• Expense Accruals
  • Goods & Services paid for but not received (Prepaid)
  • Goods & Services received but not paid for (A/P)

Accrual threshold on all accruals = $500
Revenue Accruals – A/R

• An asset on the balance sheet.
• Records income in current year.
• Revenue earned but not received by close of the year.

EXAMPLES:
• SIS A/R ➔ Fed through Banner A/R
• NON SIS A/R ➔ Manual JV Entry in Banner
• Grant A/R ➔ Entry Processed by OSRAA
Revenue Accruals – Unearned

• A liability on the balance sheet.
• Removes income from the current year.
• Cash received in advance for goods or services provided after June 30th.
  • Review June deposits closely

EXAMPLES:
• Deposits for future events
• Deposits for services not yet performed
• Advance Payment Grants
Expense Accruals – Prepaid

- An asset on the balance sheet.
- Removes expense from the current year.
- Payments made in advance for goods or services

EXAMPLES:
- Prepaid Airfare
- Deposit Payments
- Expense crossing years
Expense Accruals – A/P

- A liability on the balance sheet.
- Records expense in current year.
- Goods and services received, but not paid for.

EXAMPLES:
- June Purchasing Activity

Send AP accrual spreadsheets to baff.accounting@oregonstate.edu
Accrual JV’s

• Entries Post to O/L and G/L
  • Debit QBA180 – 001100 – 20101 – YDAM – $5,000
  • Credit 001100 – B0101 – $5,000

• G/L side posts to proper fund and account code
  • A3802 – Year-End A/R Accruals
  • B5901 – Year-End Undistributed Income Accruals
  • A5901 – Year-End Prepaid Expense Accruals
  • B0101 – Year-End A/P Accruals

• Starting 7/1 both entries can be made at the same time.
• Make sure reversal JV has a July Transaction date.
• Make sure fund code matches O/L half of the entry
Accrual JV’s Continued…

• Rule Code = 3JV1

• Reversal JV should have the same entries as the original accrual entry.
• Enter original accrual JV# in document reference field.
• Document text should say:
  • FY17 Accrual  OR  FY17 Reversal of Accrual J0xxxxxx
• Supporting Documentation should be scanned with JV
Accrual Responsibilities

**Business Affairs**
- AP Accrual Spreadsheet loading
- OSU Foundation Accruals
- Grant and Contract Accruals

**Business Centers and Departments**
- Accounts Receivable (Non-SIS)
- Unearned Income
- Prepaid Expense
- Populating AP Accrual Spreadsheets
Fund Balance Monitoring

Determining Fund Balance

- Fund Balance = Assets – Liabilities
- Axxxx account codes – Bxxxx account codes
- Be careful when looking at D0010 – Fund Balance
  - Doesn’t get updated until G/L Roll
  - Make sure you calculate it or use the correct report
## Fund Balance Monitoring - FGITBSR

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Beginning Balance</th>
<th>Debit/Credit</th>
<th>Current Balance</th>
<th>Debit/Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A0901</td>
<td>Cash On-Hand - Interfund</td>
<td>3,916.20</td>
<td>Debit</td>
<td>116,834.91</td>
<td>Credit</td>
</tr>
<tr>
<td>A3702</td>
<td>AR from Affiliated Foundation</td>
<td>914.16</td>
<td>Debit</td>
<td>0.00</td>
<td>Debit</td>
</tr>
<tr>
<td>A3802</td>
<td>A/R Reo Year End Accruals</td>
<td>0.00</td>
<td>Debit</td>
<td>0.00</td>
<td>Debit</td>
</tr>
<tr>
<td>A5901</td>
<td>Prepaid Expense Year End Accrual</td>
<td>0.00</td>
<td>Debit</td>
<td>0.00</td>
<td>Debit</td>
</tr>
<tr>
<td>B0100</td>
<td>Invoices Payable</td>
<td>4,000.52</td>
<td>Credit</td>
<td>1,604.75</td>
<td>Credit</td>
</tr>
<tr>
<td>B0101</td>
<td>Year End A/R Accrual</td>
<td>0.00</td>
<td>Credit</td>
<td>0.00</td>
<td>Credit</td>
</tr>
<tr>
<td>B0201</td>
<td>Federal A/R Taxes</td>
<td>0.00</td>
<td>Credit</td>
<td>0.00</td>
<td>Credit</td>
</tr>
<tr>
<td>C2010</td>
<td>Actual Expense Control</td>
<td>0.00</td>
<td>Debit</td>
<td>305,225.34</td>
<td>Debit</td>
</tr>
<tr>
<td>C2010</td>
<td>Labor Expense Control</td>
<td>0.00</td>
<td>Debit</td>
<td>221,818.25</td>
<td>Debit</td>
</tr>
<tr>
<td>C3010</td>
<td>Encumbrance Control</td>
<td>0.00</td>
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<td>13,013.60</td>
<td>Debit</td>
</tr>
<tr>
<td>C0010</td>
<td>Actual Revenue Control</td>
<td>0.00</td>
<td>Credit</td>
<td>408,274.09</td>
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<tr>
<td>C3020</td>
<td>Encumbrance Reserve Accct</td>
<td>0.00</td>
<td>Credit</td>
<td>13,013.60</td>
<td>Credit</td>
</tr>
<tr>
<td>D0010</td>
<td>Fund Balance</td>
<td>829.84</td>
<td>Credit</td>
<td>829.84</td>
<td>Credit</td>
</tr>
</tbody>
</table>

* denotes amount is opposite of Normal Balance

**Total:** ALL ACCOUNTS 0.00

- $118,439.66
Fund Balance Monitoring Continued…

Designated Ops, Services Centers, and Auxiliary Funds

(05xxxx)  (09xxxx)  (1xxxxx)

- See policies under FIS 500
- Need to resolve negative fund balances
  - Funding is needed from another source via JV
  - Make sure all entries are posted in correct fiscal year

- If an Auxiliary has more than one fund, all 1xxxxx funds for that unit are rolled together. Sum across all of them must be positive.
Fund Balance Monitoring Continued…

**Gift Funds (Mxxxxx, FGxxxxx)**

- Can’t spend money we don’t have
- Cash A0901 must be positive
- Monitor Balances all the way through close
- Entries processed in July with June transaction dates affect cash
- After 6/30 must move non-payroll expense via JV
Fund Balance Monitoring Continued…

OSU Foundation Funds (FSxxxx, FExxxx, 438xxx, Gift Plant Funds)

• Make sure current year transactions are reimbursed. Prior year transactions cannot be reimbursed.
• Approvers at OSU and Foundation need time to approve.
• If transactions remain unapproved/unreimbursed BAFF will move transactions to one of departments E+G funds.
Reconciliations

Required spreadsheets at Year End

- A3150 Departmental Advances
- A3151 Travel Advances
- A4xxx Inventory
- A3802 Year End A/R Accruals
- A5901 Year End Prepaid Expense Accruals
- B5901 Year End Unearned Income Accruals

All other Axxxx & Bxxxx accounts that have a balance at year end should be reconciled as well. [Except for A0901 cash and B0100 Invoices Payable]

Email spreadsheets to baff.accounting@oregonstate.edu
Reminders – JV’s

During July
• Starting 7/1 FY17 and FY18 are open concurrently for processing.
• Watch transaction dates carefully.
• During this period it is important to begin JV document text with “FYxx” to assist approvers.

Prior year corrections
• Once FY17 closes all prior year corrections require Business Affairs approval.
  • Require materiality and financial statement impact assessment.
  • Prior year corrections will not be allowed between Program Codes or Fund Types
Reminders – Encumbrances

FY18 open for PO entry June 9th

• FY17 Purchase Orders should only be created for goods or services expected to be received by 6/30
  • Otherwise enter them as FY18 encumbrances.

• Review open FY17 PO’s closely. FGROPNE

• Liquidate any unnecessary open PO’s
  • PO liquidation instructions on BAFF YEC webpage.

Valid FY17 encumbrances will be rolled to FY18 on July 10th.
Reminders – 40199 Construction in Progress

All 40199 account code balances must be **zero** at year-end

- Process a JV to move all expenses from 40199 to 401xx or A80xx
- If equipment is completed and ready for use, list “In Use” date in the text
  - Additional instructions in Property Manual Exhibit #1
- If equipment is still a Work-in-Progress, JV text must state “Work-in-Progress = Y”
- If the 40199 expense represents an installment or prepayment, move all expense from 40199 to A5901 Prepaid Expense. **Must be reversed in FY18**

_Last day for corrections is 7/11/2017_
Reminders – Cash Receipts

**Cash Close = June 30th**
- Do not accumulate receipts for one final deposit!
- OSU cash handling standard requires checks and cash be deposited within one business day of receipt.

**Petty Cash Reconciliations**
- Petty cash funds should be kept reconciled at all times.
- Reimbursements should be processed at least quarterly.
- Complete dual custody count of all Petty Cash or Vault Funds on June 30th
- Last day to reimburse petty cash funds = June 16th

**Wire Transfers**
- Requests must be submitted by June 23rd in order to be processed in FY17
Reminders – Payroll

No period 14 for redistributions!

• Make sure redistributions are entered by June 30th
• Additional payroll posting for redistributions on June 9th
Reminders – Accounts Payable

**Autopay Invoices**
- Vendors set their own billing cycles
- FY17 transactions should be posted by July 10\textsuperscript{th}

**PCard Distributions**
- New transactions will stop loading into module on June 26\textsuperscript{th}.
- All FY17 transactions must be distributed by July 10\textsuperscript{th}.

**Travel Reimbursements**
- Travel taken through June 30\textsuperscript{th} should be posted using June transaction dates.
- June airfare files will be split between FY17 and FY18 by Business Affairs.
- FY18 travel paid for in FY17 should be accrued.
Reminders – Accounts Payable Cont…

Invoice Entry: while period 12 is still open
- Goods or Services received prior to June 30th.
- Process invoices using June transaction date.

Invoice Entry: during period 14
- Goods or Services received prior to June 30th.
- Process invoices as normal with July transaction date.
- Add invoice to AP accrual spreadsheet.
- Consider fund balance impact for Auxiliary, Des Op, Service Ctr, and Gifts.

Do not add invoices to AP accrual spreadsheets posted with 6/30 trans date in period 12.
Major Deadlines

- Period 01 FY18 open for PO entry **June 9th**
- Last day to enter changes in PYAREDS **June 30th @ noon**
- Last day to submit cash receipts **June 30th**
- Banner SIS will be unavailable to update activity after 12pm noon **June 30th**
- Period 01 FY18 open JV and Invoice entry **July 1st**
- Last day to close PO’s **July 10th**
- Last day to distribute PCard transactions **July 10th**
- Last day to enter FY17 invoices **July 10th**
- Banner FIS will be unavailable starting at 3pm **July 10th**
- G/L Roll **July 10th**
- Encumbrance Roll **July 10th**
- Period 14 entry will no longer be available to campus **July 17th**
- Last day for approving transactions in OSUF reimbursement system **July 18th**
- Submit AP accrual spreadsheets to BAFF **July 18th**
- Period 14 close **July 24th**
Resources

BAFF YEC Website:
http://fa.oregonstate.edu/business-affairs/year-end-closing

• Major deadline list
• YEC instructions
• Training Materials
• AP Accrual spreadsheet Templates
• Fund Reconciliation Templates
Q+ A with A