

**Oregon State University**

Business Affairs

Year-End Close Instructions

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# ACCOUNTS PAYABLE

### **Invoices**

**Exercise caution, *Period 01 FY19 is open concurrently*** for processing of FY19 invoices for goods or services received on or after July 1, 2018. Pay close attention to vendor invoice dates and transaction dates when processing invoices at year end.

For invoices that represent goods or services **received** on or before June 30th make sure to process as FY18 expenses by using a June transaction date.

FY18 goods and services **received** by June 30th and exceeding $500 for which invoices have not been received or processed require an AP Accrual Entry. Enter an estimated amount on the [Year-End AP Accrual Spreadsheet](http://fa.oregonstate.edu/business-affairs/year-end-closing). When the invoices are received, they should be processed in the FY19 accounting records by using the current date as the transaction date. All completed Year-End AP Accrual Spreadsheets must be turned into Vendor Payment Operations (VPO).

***Note:*** the spreadsheet must be submitted electronically as a Microsoft Excel file to Baff.Accounting@oregonstate.edu. A scanned copy with the Budget Authority signature must also be submitted (email with the Excel file, if possible).

### **Auto Pay Vendors**

Direct pays (AutoPays) (e.g., Enterprise Holdings, NW Natural Gas, Robnetts Hardware, etc.) are expenditures charged directly by VPO to unit accounts via ICxxxxxx documents. OSU has approximately 16 direct pay vendors and each direct pay vendor sets its own billing cycle. To increase the likelihood that purchases from direct pay vendors are included in the FY18 accounting records, complete those purchases with vendors as early in June as possible.

VPO will load any June autopay files to Banner as an accrual if they are not posted by the period 12 deadline. The accrual amounts will be given to the business centers via email so they can ensure there are no negative fund balance impacts.

### **Purchasing Card (PCard)**

VPO will stop loading PCard transactions at the end of the June statement cycle.All remaining transactions in the PCard module will be FY20 transactions that will need to be distributed. VPO will notify units, after YEC is complete when the PCard transactions are again being loaded into the PCard module.

###

### **Travel**

All travel advances and reimbursements for travel incurred up through June 30 must be included in the FY18 accounting records. The reimbursement requests must be entered and completed, with all appropriate documentation to the Final Approval unit.

Airfare purchased in FY18 with departure dates in FY19 must be reflected in the FY19 accounting records. VPO processes the airfare billings from the travel agencies. Final **June** airfare files from travel agencies will be split by VPO according to trip date and posted in the appropriate fiscal year. Airfare files from April and May should be reviewed by Business Centers to make sure that any direct billed airfare is accounted for in the proper fiscal year.

July travel dates should be accounted for as a prepaid expense.

Any expenses for FY18 travel that have not posted by Period 12 close should be put on the accrual spreadsheet.

### **Prepaid Expenses**

Often to secure a registration or ticket (i.e. advance conference registrations, hotel reservations, and/or airfare) or to pay a software maintenance contract, payments may have been made in FY18 for those events or services that will occur after June 30,2018 or in FY19. These prepaid amounts can be moved during the year to the appropriate fund and A5006 Prepaid Expenses or during accrual Period 14 by completing a JV to move any amounts greater than $500 to A5901 Prepaid Expense Year End Accrual on the General Ledger using rule code 3JV1.

Note: Agency funds 9xxxxx are considered cash bases and should have prepaid expenses for any expenses incurred/paid after June 30, 2018

The following two transactions should be recorded at the same time.

1. The entry dated June 30 to record the prepaid expense – use rule code 3JV1:

Debit Fund \_\_\_\_\_\_\_\_\_ Account Code A5901 Prepaid Expense Year End Accrual

 Credit Index \_\_\_\_\_\_\_\_\_\_ Account Code 2xxxx

 Text: “FYxx to record prepaid expense

 First and Last Name, BC, Phone Number”

Note: There is no index on the debit line. Several debit and credit lines can be put on one JV when the purpose is the same. Remember to enter the document number of the original entry in the document reference field.

If you have several like invoices to accrue, you can sum the amount together on the JV for the debit and credit, rather than listing each one separately. List the details of your accruals on the [Prepaid Expense Reconciliation](http://fa.oregonstate.edu/business-affairs/year-end-closing) and attach it as supporting documentation in Nolij to the JV entered. Supporting documentation is **not** required when the amount on the transaction line equals the amount on the original document.

Since Period 14 FY18 and Period 01 FY19 are open concurrently, immediately reverse the above JV in Period 01, FY19; using a July 1 date and rule code 3JV1.

1. The reversing entry dated July 1 – use rule code 3JV1

Debit Index \_\_\_\_\_\_\_\_\_\_ Account Code 2xxxx (used above)

 Credit Fund \_\_\_\_\_\_\_\_\_ Account Code A5901 Prepaid Expense Year End Accrual

* Reference J# from original entry above in the document reference field

Text: “FY19 to reverse FY18 prepaid expense

 First and Last Name, BC, Phone Number”

Payment for supplies, services, memberships, or subscriptions that begin on July 1st or after must not be processed until Period 01 FY19 is opened. Exceptions will not be made without prior approval from the Financial Accounting & Analysis (FA&A) or Vendor Payment Operations (VPO).

### **Wire Transfers**

Since wire transfers are cash based transfers there is no way to back date a wire transfer once June 30th passes. Please make sure to closely consult the wire transfer major deadlines, as all wires need to be submitted by that date to make sure they are included in FY18. Any wire transfer not received by the cutoff will be processed in FY19.

#

### **ACCOUNTS RECEIVABLE**

### **Non-SIS Receivables**

Non-SIS Receivables are amounts due to Oregon State University (OSU) from entities external to the OSU for goods or services already provided. These receivables are managed by each unit and are not part of SIS Receivables, which are managed by Business Affairs.

All Non-SIS receivables not deposited by FY18 cash close should have an A/R Accrual recorded by Journal Voucher no later than **Period 14 close.**

IMPORTANT: The credit entry should be on the index into which the cash will be deposited when received. The debit will be to the same fund code that is associated with the Index used on the credit side of the JV. The debit will not be made against an Index, just the fund and account.

Note: Do not accrue any accounts receivable on grants as OSRAA will complete this task, if needed.

The following two transactions should be recorded at the same time.

1. The entry dated June 30, will record the amount of receivable:

 Debit Fund \_\_\_\_\_\_\_\_\_ Account Code A3802 A/R Rec Year End Accruals

 Credit Index \_\_\_\_\_\_\_\_ Account Code (0xxxx series)

 Text: “To record A/R for FYxx – Detail attached in Nolij

First and Last Name, BC, Phone Number”

1. The reversing entry dated July 1:

Debit Index \_\_\_\_\_\_\_\_\_\_Account Code 0xxxx (used above)

 Credit Fund \_\_\_\_\_\_\_\_\_\_Account Code A3802 A/R Rec Year End Accruals

* Reference J# from original entry above in the document reference field

 Text: “To reverse A/R for FYxx

 First and Last Name, BC, Phone Number”

Non-SIS A/R Reconciliation Sheet should be scanned into Nolij and attached as backup for the entry made in FIS Banner by the deadline in **Period 14.**

# BUDGET

### **Journal Vouchers**

All FY18 budget change journal vouchers processed after the close of business on June 30th must carry a June transaction date.

Funds 000000 – 199999, for budget changes crossing college/unit boundaries:

* Submit budget change requests for inclusion in period 12 to the Office of Budget & Fiscal Planning.
* The Office of Budget & Fiscal Planning uses Period 14 for completing administrative budget actions, but can process a limited number of emergency budget adjustments between funds or between colleges during period 14.

Funds 000000 – 199999, not crossing college boundaries (1xGF, 1xGP & 1xAS rule codes):

* Complete and approve period 12 budget change journal vouchers by **the close of period 12.**
* During period 14, departments must contact their Business Center for guidance.
* Business Centers may elect to continue using their 1xGF, 1xGP and 1xAS rule codes during period 14.

Funds 030000 – 039999:

* Complete and approve period 12 budget change journal vouchers by **period 12 close.**
* Only SWPS administrative budget offices are allowed to process FY18 budget adjustments during period 14.
Contacts for those units are:

Agricultural Experiment Station (030xxx funds) – AMBC, 737-9354

OSU Extension Service (034xxx funds) – UABC, 737-0697

Forest Research Lab (037xxx funds) – FOBC, 737-3163

*Direct questions regarding year-end budget balancing and deadlines to Cindy Alexis at 737-0903, or via e-mail to: Cindy.Alexis@oregonstate.edu.*

# CASH

### **Cash Receipts**

All cash receipts received must be delivered to the Cashiers Office by the cash close deadline for inclusion in the FY18 accounting records.

The Cashiers Office will be closed at noon on June 29th in order to complete cash close procedures. It is important that cash receipts are deposited daily. **DO NOT** accumulate receipts for one final year end deposit.

After making final deposits at local banks, off-campus locations (e.g. Ag Experiment Stations and Extension offices) must *email* a legible copy of the deposit slip and a completed Cash Receipts Record to the Cashier’s Office

**Email** the detailed deposit information to departmental.deposits@oregonstate.edu.
If the ability to scan and email the deposit information is not available, it may be faxed to 541-737-0615.

Please also forward the originals as usual, clearly noting that the deposit information was emailed or faxed and when (to help avoid duplicated deposits).

### **Petty Cash and Vault Funds**

Settle and reimburse petty cash funds. Inactive petty cash funds that a unit wishes to discontinue should be returned to the Cashier’s Office with a reconciliation form.

Physically count cash being held as petty cash or vault fund. Cash should be counted with at least two persons present. One person should be someone other than the person who normally has physical custody of the funds. See the [Cash Handling Policy](http://fa.oregonstate.edu/business-affairs/cashiers) for additional information.

Verify and document all receipts that have not been reimbursed. All receipts must be reimbursed *in the proper fiscal year*. Payment Requests for reimbursement should be processed in **Period 12** by the period close deadline.

Prepare the [Petty Cash Reconciliation](http://fa.oregonstate.edu/business-affairs/year-end-closing) and submit to the Cashier’s Office no later than the close of **Period 14**.

### **Point of Sale, including Virtual Merchants**

All Point of Sale (POS) terminals must be settled by **NOON** on the cash close deadlineand deposits submitted to the Cashier’s Office by **2:00 pm** to be included in the FY18 cash records.

Any POS transactions received after the cash close deadline should be accrued as a Non-SIS Receivable (see procedures above).

# FIXED ASSETS

### **Equipment under Construction**

All capital assets received during FY18 must be set up through the Banner Fixed Asset Module. Please check open purchase orders to see whether equipment has been received by June 30th. Contact Financial Accounting & Analysis – Fixed Asset Property Management with questions, if equipment is received without a vendor invoice.

All expenses on account code 40199 must be moved to 40101 Equipment or A8011 Equipment (for service centers or auxiliary enterprises) before the financial records are closed. The journal voucher for this transaction should be dated June 30, 2018 or before and posted prior to the close of Period 12.

Account code 40199 is **not** allowed as an accruable item and is **not** allowed on the A/P accrual spreadsheet.

1. For those units making installment/pre-payments for equipment that will not be received until FY18, the following JV should be submitted with a transaction date of June 30, 2018 or before:

 Credit Index \_\_\_\_\_\_\_\_\_\_Account Code 40199 Construction in Progress (Equipment)

 Debit Fund \_\_\_\_\_\_\_\_ Account Code A5901 Prepaid Expense Year-End Accrual

1. This entry will then need to be reversed via a JV with a July 1, 2018 date.

Debit Index \_\_\_\_\_\_\_\_\_\_Account Code 40199 Construction in Progress (Equipment)

 Credit Fund \_\_\_\_\_\_\_\_\_\_Account Code A5901 Prepaid Expense Year-End Accrual

### **Inventory**

Organized storeroom and unit storeroom inventories are to be counted and priced annually.

The Inventory is recorded as an asset using the following account codes:

A4010 - Facilities Services Inventory

A4011 - Org Storeroom Inventory

A4012 - Vet Med Storeroom Inventory

A4201 - Supplies Inventory

A4202 - Motor Pool Auto Parts Inventory

A4203 - Motor Pool Gasoline Inventory

A4204 - Forestry Inventory

A4901 - Materials & Supplies Year/End Inventories

The inventory account (A4xxx) should be adjusted to equal the value of the physical count. The adjustment to the inventory account is recorded as a debit or credit to operating expense.

Send a detailed listing of final inventory (matched to the General Ledger) to BAFF.Accounting@oregonstate.edu

JVs must be completed during Period 12 using 3JV1 rule code. June 30, 2018 should be used as the transaction date.

1. To decrease inventory valuation:

Debit expenditure Index \_\_\_\_\_\_ Account Code 28723 Inventory Adjust/Write-Off

Credit inventory Fund \_\_\_\_\_\_\_\_ Asset Account Code A4xxx

1. To increase inventory valuation:

Debit inventory Fund \_\_\_\_\_\_\_ Asset Account Code A4xxx

 Credit expenditure Index \_\_\_ Account Code 28723 Inventory Adjust/Write-Off

# FUND BALANCES

The cash balance for all funds must be monitored through the close of Period 14. At the close of FY18 all funds must have a positive cash balance. If there is an overdraft the expenses will be moved to the unit’s general fund index to bring cash to zero. Reminder – direct payments such as Printing & Mailing, Motor Pool, Telecom, and OSU Bookstore processed with a date of June 30th or earlier immediately affect cash even though the process may be run up to Period 12 close.

### **Funds with Negative Fund Balances**

Funds may not have negative fund balances at June 30th. The necessary adjusting entries to resolve any negative balances must be recorded in the FY18 accounting records during Period 14 using a June 30 transaction date and a 3JV1 rule code. Wait until Period 12 closes to determine if a fund balance adjustment is necessary.

* Designated Operations (05xxxx) Fund Balances:
Determine the Fund Balance as of June 30 by using Banner screen FGITBSR. If the fund balance shows as negative (Debit Balance) and funding is necessary, process a journal voucher that debits the unit index using account code 92255 Tfr Out – from FT11 Budgeted Ops and credits the designated operating fund using account code 91255 Tfr In – from FT11 Budgeted Ops. See FIS 515 Designated Operations <http://oregonstate.edu/fa/manuals/fis/515>.
* Service Center (09xxxx) Fund Balances:
Determine the Fund Balance as of June 30 by using Banner screen FGITBSR. If the fund balance shows as negative (Debit Balance) and funding is necessary, process a journal voucher that debits the unit index using account code 92255 Tfr Out – from FT11 Budgeted Ops and credits the service center using account code 91255 Tfr In – from FT11 Budgeted Ops. See FIS 516 Service Center Operations <http://oregonstate.edu/fa/manuals/fis/516>.
* Auxiliary (1xxxxx) Fund Balances:
Determine the Fund Balance as of June 30 by using Banner screen FGITBSR. If the fund balance shows as negative (Debit Balance), funding is necessary. Normally, the only source of funding available to Auxiliary Funds is a loan from another Auxiliary Fund.
* Ag Research Foundation Funds:

Determine the Fund Balance as of June 30 by using Banner screen FGITBSR. If the fund balance shows as negative (Debit Balance), funding is necessary. Any expenses not processed will be moved to E&G Funds.

* OSU Foundation Reimbursement Funds:

FSxxxx and FExxxx funds must have a positive fund balance at year end. It is important to closely monitor unreimbursed transactions during the months of April, May, and June to make sure expenditures are reimbursed in a timely manner.

**OSU Foundation Financial Entry system will be closed down for a period of time during year end. This closure is to allow for the reconciliation of accounts between OSU and the Foundation. See Year End Close Major Deadlines for exact dates.**

It is imperative that you have reimbursement requests completed prior to this deadline. Any FY18 expenses not processed through the reimbursement system will be moved to E&G Funds and will no longer be available in the OSU-OSUF Reimbursement System for reimbursement from the foundation.

Gift Funds (M Funds and some FA Funds) and Agency Funds (fund begins with 9xxxxx) are **not** to be spent before cash is received. Cash received and posted **after 12:00 pm, noon on June 29th** will be reported in **FY19** and will not show as cash (A0901) in FY18. Therefore, it is important that gift fund balances are closely watched and that expenditures are not made against these funds unless cash is positive.

**FA&A** will process a receivable accrual for reimbursements that are approved through the OSUF reimbursement system, but cash has not actually been received.

 The reimbursement request must be approved by both OSU and OSUF in order to be included in the accrual – continue checking your requests to ensure they have been OSUF Approved and are not disapproved or on hold.

Business Centers and Departments **should not do individual A/R accrual JV’s for these funds.**

# GENERAL LEDGER RECONCILIATIONS

All general ledger account codes must be reconciled at year-end by the unit responsible for that Fund and/or GL Account. The exceptions are those account codes which are automatic entries made within FIS Banner by the system. These are A0901 Cash on hand and B0100 Invoices Payable, as well as Fixed Asset and Accumulated Depreciation accounts (A8xxx).

Reconciliation reports on all other asset (Axxxx) and liability (Bxxxx) account codes are required. These include account codes A3802 A/R Receivable Year End Accruals (attach in Nolij to accrual JV), A5901 Prepaid Expense Year End Accrual (attach in Nolij to accrual JV), B5901 Accrued Undistributed Income (attach in Nolij to accrual JV), A3150 Departmental Cash Advances, and A3151 Travel Advances. Send the reconciliations for A3150 and A3151 advances to BAFF.Accounting@oregonstate.edu.

# GRANTS

All restricted fund grants that are from Oregon Sponsors (Kxxxxx) and Oregon Forest Resources Institute (OFRI) (K9xxxx) require OSRAA to invoice for FY18 grant expenditures by the close of period 12. Departments and Business Centers cannot post FY18 expenditures during period 14 for these funding sources.

If you are aware of FY18 expenditures that have not posted by the close of period 12 you need to provide that information to OSRAA so they can include it on the June billing to sponsors. Information should include: salary/ope that is for June and not posted by this time and invoice information for items received in June and not posted in FIS Banner by this time.  Please provide this information to the appropriate OSRAA grant accountant.

# JOURNAL VOUCHERS

Journal vouchers for the FY18 accounting records may be processed after June 30, so long as they contain a **June transaction date**. Starting July 1, head each JV “text” with the fiscal year that the transaction is for. JV Approvers are not mind readers so they will not know which fiscal year you meant to post your JV in. If you put the Fiscal year in the text they can then check the transaction date to make sure it aligns with the year you are intending on posting in.

During period 14 pay close attention to the Major Deadlines listing to make sure you are aware of the last day to post FY18 JVs. Once this deadline has passed no prior year JVs will be allowed without express approval from FA&A.

Any attempt to make prior year redistributions in FY19 will be reviewed for the effect on financial statements. No retroactive corrections will be allowed which affect Program Codes or are between funding sources (restricted, general, and/or auxiliary).

# MISCELLANEOUS

### **Inactive Funds**

Please submit all requests for termination of FOAPA chart of accounts elements and indexes to the Office of Budget & Fiscal Planning. It is important to clean up old chart elements that are no longer needed prior to rolling the ledgers at year end. We only want to roll elements that are necessary and active.

The FOAPA Chart Element Request form can be found on the Office of Budget & Fiscal Planning’s website: <http://fa.oregonstate.edu/budget/foapa>

### **FUPLOADS**

Internal charges between OSU departments such as Printing and Mailing Charges, Motor Pool Charges, and Facilities Charges are commonly referred to as FUPLOADs. This is because those entries are loaded to Banner through an automatic finance upload process.

Since these charges are original charges to a department they are akin to an invoice or wire transfer. It is important that after period 12 close fund balances are as static as possible so that fund balance monitoring and corrections can take place. This is why FUPLOADS have the same posting deadline as invoices, which is the close of period 12.

Even though FUPLOADS are technically a JV type of document they do not share the same cutoff as JVs.

###

### **FIS Systems Lockout**

Typically there are three major FIS System lockouts during year end close.

**The first lockout is usually referred to as Cash Close:**

This lockout is typically on 6/30, but sometimes 6/29 if the 30th falls on the weekend. In order to correctly take a snapshot of TBRACCD as of 6/30 we have to lock users out of making updates to that table whether it’s through the TRAAREV form or through ecommerce applications. This lockout also applies to the Cashier’s Office, which is why deposits typically have to be completed by noon on cash close. On Cash Close, Banner SIS and any system that updates or makes changes to TBRACCD will be shut down to campus. Service to these systems is typically restored by the following morning.

**The second lockout falls on the same day as Period 12 close:**

This lockout is typically referred to as the General Ledger Roll. On the day period 12 is closed FA&A runs a series of processes to roll the General Ledger from one year to the next. This establishes beginning balances in the new fiscal year. Period 14 is also opened up for posting during this process.

Once the General Ledger Roll occurs and period 14 is open you can post transactions in both fiscal years. Since the Roll process creates beginning balances in the new fiscal year it is important that campus is not allowed to make new entries in the middle of the roll process. For this reason All of Banner FIS is locked out for campus users at 2pm. This allows FA&A to complete their processes. Access to Banner FIS is typically restored by the following morning.

**The third lockout usually falls five (5) business days after the general ledger roll:**

This lockout is typically referred to as Period 14 campus lockout. The entire length of period 14 is always 10 business days after the close of period 12. Five days of this period is reserved for campus units to make corrections, accrual entries, as well as reimburse foundation transactions. There are a series of final entries and accruals that FA&A and VPO need to make in order to close out the year. These entries require static fund balances which is why campus is locked out after the first five days of period 14 leaving the last five days of period 14 for FA&A/VPO to complete year end work.

In order to lockout campus units from period 14 Business Operations IT in Business Affairs removes their ability to post in the accrual period. This allows units to still retain Banner FIS access and post in the current year. There **will not** be a hard lockout of all Banner FIS on this date.

#

# OSU FOUNDATION

FSxxxx and FExxxx funds must have a positive fund balance at year end. It is important to closely monitor unreimbursed transactions during the months of April, May and June to make sure expenditures are reimbursed in a timely manner.

OSUF Financial Entry system will be closed down for a period of time during year end. This closure is to allow for the reconciliation of accounts between OSU and the Foundation. See Year End Close Major Deadlines for exact dates.

It is imperative that you have reimbursement requests completed prior to this deadline. Any FY18 expenses not processed through the reimbursement system will be moved to E&G Funds and will no longer be available in the OSU-OSUF Reimbursement System for reimbursement from the foundation.

FA&A will process a receivable accrual for reimbursements that are approved through the foundation reimbursement system, but cash has not actually been received.

The reimbursement request must be approved by both OSU and OSUF in order to be included in the accrual – continue checking your requests to ensure they have been OSUF Approved and are not disapproved or on hold.

Business Centers and Departments should **not** do individual A/R accrual JV’s for these funds.

# PAYROLL

Payroll labor distribution corrections must be made prior to cut-off of June payroll. Check dates on the [Payroll calendar](http://fa.oregonstate.edu/business-affairs/year-end-closing) and on the list of [Major Deadlines](http://fa.oregonstate.edu/business-affairs/year-end-closing) for Year-End Close.

# PURCHASING

### **Manual Encumbrances**

Manual encumbrances (“E” documents) remaining in the FY18 accounting records will be rolled into the FY19 accounting records. Therefore, all manual encumbrances must be reviewed to make sure they are still valid. Any manual encumbrances that are not valid or needed should be liquidated so that they are not rolled forward. The **FGROPNE** report can help identify all open encumbrances.

###

### **Purchase Orders**

Period 01 for FY19 will open **mid-June** for entry of FY19 purchase orders and encumbrances. Make sure to pay close attention to transaction dates when entering Purchase Orders in June. Any orders for FY19 need to have Purchase Orders created in FY19 instead of entered in FY18 and rolled forward.

Purchase orders remaining “open” at the end of FY18 Period 12 will be rolled into Period 01 of the FY19 accounting records. It is critical that the “open” purchase orders are indeed “open” and do not include those POs for which final payment has already occurred.

* Use the **FGROPNE** report to locate all purchase orders for which final payment may have already occurred. These encumbrances should be liquidated with a JV. All remaining open POs will be rolled to FY19.

For additional PO and Encumbrance Monitoring information, please review the materials on Business Affair’s Training website: <http://oregonstate.edu/fa/businessaffairs/bcr#FinAcctTrain>

# UNEARNED INCOME

Review deposits made in June 2018 to determine whether the income has been earned. If the services were not performed by June 30, the deposit should be reclassified as undistributed income by Journal Voucher.

The following two transactions should be recorded at the same time.

1. The entry dated June 30, will record the unearned (undistributed) income – use rule code 3JV1:

Debit Index (originally credited) & Original Account Code 0xxxx

 Credit Fund \_\_\_\_\_\_\_\_\_\_ Account Code B5901 Accrued Undistributed Income

 Text: “FY18 to record unearned income

 First and Last Name, BC, Phone Number”

**Note**: There is no index on the credit line. Several debit and credit lines can be put on one JV when the purpose is the same. Rememberto enter the Document Number of the original entry in the document reference field.

List the details of the accruals on the “Unearned Income Reconciliation” sheet and attach it as supporting documentation in Nolij to the JV entered. Supporting documentation is not required when the amount on the transaction line equals the amount on the original document.

Since Period 14 FY18 and Period 01 in FY19 are open concurrently, immediately reverse the above JV in Period 01 FY19 using a July 1 date and rule code 3JV1.

1. The reversing entry dated July 1 – Use rule code 3JV1:

Debit Fund \_\_\_\_\_\_\_\_\_\_ Account Code B5901 Accrued Undistributed Income

 Credit Index (originally credited) Account Code 0xxxx (used above)

* Reference J# from entry above in the document reference field

 Text: “FY19 to reverse FY18 unearned income accrual

 First and Last Name, BC, Phone Number”

If you only have a few documents to accrue, it is acceptable to accrue in one JV with a new sequence for each deposit. If you have several invoices to accrue, you can choose to list them on the [Unearned Income Reconciliation](http://oregonstate.edu/fa/businessaffairs/analysisreporting/yearend) and attach the reconciliation spreadsheet as supporting documentation for the JV.

# QUESTIONS/CONTACTS

Please send any questions or concerns you may have regarding the closing process via e-mail to BAFF.Accounting@oregonstate.edu. Please include appropriate background and detail information with your questions.

**General Questions**

Charlotte Rooks 737-5422

Mark Fryman 737-0624

**Fixed Assets**

Iqbal Khurram 737-6047

**Plant Funds & Assessments**

Nancy Boedigheimer 737-7601

**Accounts Payable/Vendor Payment Operations**

RaeLee Aguilar 737-9370

**Travel**

Stephanie Smith 737-1825

**PCards**

Rose Hamilton 737-0650

**Autopays**

Lane Byrnes 737-0635

**Payroll**

Susan Hall 737-8610

**Accounts Receivable/Cash**

Lissa Perrone 737-6127

George Windom 737-0643

Zeah Seeber-Stoye 737-4109

**Purchasing**

Kelly Kozisek 737-2067

**Grants, Gift, and Foundation Funds**

OSRAA 737-4711

**Email Addresses**

budget.office@oregonstate.edu

cashiers.office@oregonstate.edu

departmental.deposits@oregonstate.edu

BAFF.Accounting@oregonstate.edu

paymaster@oregonstate.edu

wire.transfers@oregonstate.edu

**Web Sites**

Year End Close - <http://fa.oregonstate.edu/business-affairs/year-end-closing>

OSU Foundation - <http://www.osufoundation.org/>

Budget Office - <http://oregonstate.edu/budget/>

FIS Policy Manual – <http://fa.oregonstate.edu/fis-manual>

Fund Reconciliation Responsibility by Unit – <http://fa.oregonstate.edu/fis-manual/000-introductory-material/003-list-exhibits/ex003-19-fund-reconciliation-responsibility>

Fund Reconciliation Responsibility by Fund - <http://fa.oregonstate.edu/fis-manual/000-introductory-material/003-list-exhibits/ex003-18-fund-reconciliation-responsibility>

# TERMS AND DEFINITIONS

**ACCRUAL ACCOUNTING:** All year, OSU operates on a modified-accrual basis. When invoices are approved for payment, the entry is Debit (Dr) Expense and Credit (Cr) Accounts Payable. When the check to the vendor is cut, the entry is Dr Accounts Payable and Cr Cash.

At fiscal year-end, OSU is required by State statute to have FULL accrual. To do this, the following actions are necessary:

**Revenue:** Revenue received

**+** Revenue earned but not received by 6/30 (receivable*)*

**-** Revenue received but not earned; services not rendered (unearned income*)*

**=** Accrued Income/Revenue

**Expenses:** Expenses recorded

**+** Expenses incurred, goods or services received, but not processed with June 30 or earlier transaction date *(payable)*

**-** Expenses prepaid for activity *(prepaid expenses)*

**=** Accrued Expenses

**ACCOUNTS RECEIVABLE:** Revenue earned but not received by the close of the fiscal year. Revenue has been earned if goods were sold or services were provided, either completely or substantially in full, by the close of the fiscal year. If the receivable has not previously been recorded into Banner, then it should be recorded as a balance sheet asset, for year-end accrual use account A3802 A/R Rec Year End Accruals.

**ACCOUNTS PAYABLE**: Expenses should be incurred if goods or services were received, either completely or substantially in full, by June 30. If an invoice is not received and processed with June 30 date by year-end deadline, and purchase amount is over $500, the item should be listed on the Year-end AP Accrual Spreadsheet sent to the Business Affairs Office.

**PRE-PAID EXPENSE:** Represent cash payments required by a third-party vendor in advance of actually incurring the expense. These are not expenses at the point payment is made. It only becomes an expense when the activity actually happens.

Examples include such things as:

* Conference registrations or airline tickets paid in May but where the activity will not occur until August.
* These payments should be recorded as a balance sheet asset, for year-end accrual use account A5901-Prepaid Expense Year End Accrual.

**UNDISTRIBUTED INCOME:** Represents cash received from a third-party in advance of earning the funds as revenue.

Examples include such things as:

* 4-H summer camp fees received in FY14 for a camp being held in FY15;
* Deposits from customers participating in the Master Gardener Program. The deposit portion of the fees received may be refundable to the customer. We are simply holding the funds until that determination is made.
* These receipts should be recorded as a balance sheet liability, for year-end accrual use account B5901.

If the customer meets his/her commitment to the program, the deposit is refunded from the liability account and the money never becomes revenue to us.

However, if the customer fails to meet his/her commitment, the deposit becomes earned revenue to us and is removed from the liability account and recorded as revenue.

**FIXED ASSET:**  Tangible property with a cost of $5,000 or more. All other equipment is considered minor equipment.

**MATERIALITY THRESHOLD:** The value at which a transaction is considered significant to the financial records. OSU’s materiality level for expenditure transactions is $500.