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# **Oregon State University**

Financial Accounting & Analysis  
Year-End Close Instructions

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## ACCOUNTS PAYABLE

### Invoices

**Exercise caution, *Period 01 FY22 will be open concurrently*** for processing of FY22 invoices for goods or services received on or after July 1<sup>st</sup>, 2021. Pay close attention to vendor invoice dates and transaction dates when processing invoices at year-end. Be aware that Banner will default to an FY22 transaction date beginning on July 1<sup>st</sup>, 2021.

For invoices that represent goods or services **received** on or before June 30<sup>th</sup> process as FY21 expenses by using a June transaction date.

FY21 goods and services **received** by June 30<sup>th</sup> and exceeding \$2,000 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](#). When the invoices are received, process them in the FY22 accounting records by using the current date as the transaction date. All completed Year-End AP Accrual Spreadsheets must be turned into PCMM Accounts Payable (PCMM A/P).

**Note:** the spreadsheet must be submitted electronically as a Microsoft Excel file to [Accounts.Payable@oregonstate.edu](mailto:Accounts.Payable@oregonstate.edu). A scanned copy with the Budget Authority signature must also be submitted (email with the MS 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 PCMM A/P to unit accounts via ICxxxxxx documents. OSU has approximately nine 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 FY21 accounting records, complete those purchases with vendors as early in June as possible.

PCMM A/P 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)

PCMM A/P will stop loading PCard transactions at the end of the June statement cycle. All remaining transactions in the PCard module will be FY21 transactions that will need to be distributed. PCMM A/P 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<sup>th</sup> must be included in the FY21 accounting records. The reimbursement requests must be entered and completed, with all appropriate documentation to the Final Approval unit. The completed date of travel will determine which fiscal year the expense should be accounted in.

- If the traveler completes their business trip on 6/30 or earlier - FY21 transaction.
- If the traveler completes their business trip on 7/1 or later - FY22 transaction.

Airfare purchased in FY21 with departure dates in FY22 must be reflected in the FY22 accounting records. PCMM A/P processes the airfare billings from the travel agencies. Final **June** airfare files from travel agencies will be split by PCMM A/P 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. The departure date of the reservation will determine which fiscal year the expense should be accounted in.

- If the Departure date is 6/30 or earlier - FY21 transaction.
- If the Departure date is 7/1 or later - FY22 transaction (Prepaid JV may be required).

July travel dates should be accounted for as a prepaid expense when paid for prior to June 30<sup>th</sup>.

Any expenses for FY21 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 FY21 for those events or services that will occur after June 30<sup>th</sup>, 2021 or in FY22. 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 \$2,000 to A5901 Prepaid Expense Year-End Accrual on the General Ledger using rule code 3JV1.

Note: Agency funds 9xxxxx are considered cash basis and should have prepaid expenses for any expenses incurred/paid after June 30<sup>th</sup>, 2021.

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

1. The entry dated June 30<sup>th</sup> to record the prepaid expense – use rule code 3JV1:

Debit Fund (same as index below) \_\_\_\_\_ Account Code A5901 Prepaid Expense Year-End Accrual

Credit Index \_\_\_\_\_ Account Code 2xxxx  
Text: “FY21 to record prepaid expense  
First and Last Name, xxBC, 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](#) and attach it as supporting documentation in OnBase 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 FY21 and Period 01 FY22 are open concurrently, immediately reverse the above JV in Period 01, FY22; using a July 1<sup>st</sup> date and rule code 3JV1.

2. The reversing entry dated July 1<sup>st</sup> – 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: “FY22 to reverse FY21 prepaid expense  
First and Last Name, xxBC, Phone Number”

Payment for supplies, services, memberships, or subscriptions that begin on July 1<sup>st</sup> or after must not be processed until Period 01 FY22 is opened. Exceptions will not be made without prior approval from Financial Accounting & Analysis (FA&A) or PCMM A/P.

## Wire Transfers

Since wire transfers are cash-based transfers there is no way to back date a wire transfer once June 30<sup>th</sup> 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 FY21. Any wire transfer not received by the cutoff will be processed in FY22.

## ACCOUNTS RECEIVABLE

### Non-SIS Receivables

Non-SIS Receivables are amounts due to Oregon State University (OSU) from entities external to 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 Student Accounts within Business Affairs.

All Non-SIS receivables not deposited by FY21 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 A/R on grants as OSRAA will complete this task, if needed.

Note: Do not accrue any A/R on FSxxxx or 809xxx funds.

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

1. The entry dated June 30<sup>th</sup>, will record the amount of receivable:

Debit Fund (same as index below) \_\_\_\_\_ Account Code A3802 A/R Receivable Year-End Accruals

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

Text: "To record A/R for FY21 – Detail attached in OnBase

First and Last Name, xxBC, Phone Number"

Note: [Non-SIS A/R Reconciliation Sheet](#) should be scanned into OnBase and attached as supporting documentation for the entry made in FIS Banner by the deadline in **Period 14**.

2. The reversing entry dated July 1<sup>st</sup>:

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

Credit Fund \_\_\_\_\_ Account Code A3802 A/R Receivable Year-End Accruals

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

Text: "To reverse A/R for FY21

First and Last Name, BC, Phone Number"

## BUDGET

### Journal Vouchers

All FY21 budget change journal vouchers processed after the close of business on June 30<sup>th</sup> 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 & Resource Planning.
- The Office of Budget & Resource 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 FY21 budget adjustments during Period 14.

Contacts for those units are:

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

OSU Extension Service (034xxx funds) – UABC, 737-0669

Forest Research Lab (037xxx funds) – FOBC, 737-1588

*Direct questions regarding year-end budget balancing and deadlines to Cindy Alexis at 737-0903 or via e-mail to: [Cindy.Alexis2@oregonstate.edu](mailto:Cindy.Alexis2@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 FY21 accounting records.

The Cashiers Office will be closed at noon on June 30<sup>th</sup> 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 detailed deposit slip and a completed Cash Receipts Record to the Cashier's Office at [departmental.deposits@oregonstate.edu](mailto:departmental.deposits@oregonstate.edu). If it is not possible to scan and email the deposit information, 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 funds. 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](#) 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](#) 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 deadline and deposits submitted to the Cashier's Office by 2:00 pm to be included in the FY21 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 FY21 must be set up through the Banner Fixed Asset Module. Please check all open purchase orders to see whether any represent capital equipment that has been received by June 30<sup>th</sup>. If equipment is received without a vendor invoice, contact FA&A – Fixed Asset Property Management with questions ([fixed.assets@oregonstate.edu](mailto:fixed.assets@oregonstate.edu)).

All equipment expenses on account code 40199 must be cleared by moving to the appropriate 4010x or A801x (for service centers or auxiliary enterprises) account code before the financial records are closed. The journal voucher for this transaction should be dated June 30<sup>th</sup>, 2021 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 FY22, the following JV should be submitted with a transaction date of June 30<sup>th</sup>, 2021 or before:

Credit Index \_\_\_\_\_ Account Code 40199 Construction in Progress (Equipment)  
Debit Fund (same as index above) \_\_\_\_\_ Account Code A5901 Prepaid Expense Year-End Accrual

2. This entry will then need to be reversed via a JV with a July 1<sup>st</sup>, 2021 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
- A4211 - Supplies Inventory
- A4212 - Motor Pool Auto Parts Inventory
- A4213 - Motor Pool Gasoline Inventory
- A4214 - 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.

Attach the detailed listing of final inventory (matched to the General Ledger) as supporting documentation in OnBase to the JV entered.

JVs must be completed during Period 12 using the 3JV1 rule code. June 30<sup>th</sup>, 2021 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 (same as index above) \_\_\_\_\_ Asset Account Code A4xxx

2. To increase inventory valuation:

Debit inventory Fund (same as index below) \_\_\_\_\_ 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 FY21 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 30<sup>th</sup> or earlier immediately affect cash even though the process may be run up to Period 12 close.

## Funds with Negative Fund Balances

Funds should not have negative fund balances at June 30<sup>th</sup>. Any adjusting entries to resolve negative balances must be recorded in the FY21 accounting records during Period 14 using a June 30<sup>th</sup> transaction date and a 3JV1 rule code. These entries might reflect accruals to show A3802 Accounts Receivable revenue that belongs in FY21, or A5901 Prepaid expenses that belong in FY22.

OSU allows self-support funds to carry a negative fund balance in lieu of transferring funding in to eliminate the deficit balance. If you are responsible for a Designated Operations Fund (05xxxx), a Service Center Fund (09xxxx), or an Auxiliary Fund (1xxxxx) that is negative at year-end, plan to schedule time to evaluate the cause of the negative balance (i.e. fees were too low, estimated customer level fell short, supply expenses grew more than expected, COVID-19, etc.).

In addition, email FA&A and let them know which funds you anticipate will have a negative fund balance, and what the cause/reasons are for it. Lastly, develop a plan to eliminate the deficit and move the operation into a positive or neutral balance in FY22.

### Other Funds with Negative Fund Balances

- Agriculture Research Foundation (ARF) Funds:  
Determine the Fund Balance as of June 30<sup>th</sup> 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 or zero 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.

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 30<sup>th</sup>** will be reported in **FY22** and will not show as cash (A0901) in FY21. Therefore, it is important that gift fund balances are closely watched and that expenditures are not made against these funds unless cash is positive.

### 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, A5901 Prepaid Expense Year-End Accrual, and B5901 Accrued Undistributed Income (attach in OnBase to accrual JVs). Reconciliations on remaining balances in A3150 Departmental Cash Advances and A3151 Travel Advances should be sent to [Accounts.Payable@oregonstate.edu](mailto:Accounts.Payable@oregonstate.edu).

Note: All funds within the 00116x range should be reconciled monthly and all advances collected within policy guidelines. See [FIS 03-140-218](#) Travel Advances and [FIS 03-140-219](#) Departmental Advances.

### GRANTS

All restricted fund grants that are from Oregon Sponsors (Kxxxxx) and Oregon Forest Resources Institute (OFRI) (K9xxxx) require OSRAA to invoice for FY21 grant expenditures by the close of Period 12. Departments and Business Centers **cannot** post FY21 expenditures during Period 14 for these funding sources.

If you are aware of FY21 expenditures that have not posted by the close of Period 12 you need to provide that information to the appropriate OSRAA grant accountant 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.

### JOURNAL VOUCHERS

Journal vouchers for the FY21 accounting records may be processed after June 30<sup>th</sup>, so long as they contain a **June transaction date**. Starting July 1<sup>st</sup>, the default transaction dates in Banner will populate with an FY22 date, so be sure to enter a June transaction date if you need it to post in FY21. In addition, starting July 1<sup>st</sup>, 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 FY21 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 FY22 will be reviewed for the effect on financial statements. No retroactive corrections will be allowed which affect Program Codes or are between different 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 & Resource 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 & Resource Planning's website: <http://fa.oregonstate.edu/budget/foapa>

### FUPLOADS

Internal charges between OSU departments such as Printing and Mailing, Motor Pool, and Facilities 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. After the Period 12 close, it is important that, 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 date 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 on 6/30 unless the 30<sup>th</sup> falls on the weekend and then it will be moved to the Friday before 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 have to be completed by noon on Cash Close. When Cash is Closed, 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 referred to as the General Ledger Roll. On the day Period 12 is closed FA&A runs a series of processes to roll General Ledger fund and account balances from one year to the next. This establishes beginning balances in the new fiscal year. Period 14 is also opened for posting during this process.

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 3pm. 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 approximately 10 business days after the close of Period 12. Five days of this Period is reserved for campus units to make corrections and accrual entries, and to complete other tasks such as reimbursing foundation transactions. There are a series of final entries and accruals that FA&A and PCMM A/P need to make in order to close out the year. These entries require static fund balances. This is why campus is locked out after the first five days of Period 14 leaving the remaining days of Period 14 for FA&A and PCMM A/P to complete year-end work.

In order to lockout campus units from Period 14, Business Operations IT (BOIT) 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 new fiscal year. There **will not** be a hard lockout of all Banner FIS on this date.

## **OSU FOUNDATION (OSUF)**

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 OSUF. See Year-End Close Major Deadlines for exact dates.

It is imperative that reimbursement requests are completed prior to the deadline. Any FY21 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 redistribution corrections must be made prior to cut-off of June payroll. Check dates on the [Payroll calendar](#) and on the list of [Major Deadlines](#) for Year-End Close.

## PURCHASING

### Manual Encumbrances

Manual encumbrances (“E” documents) remaining in the FY21 accounting records will be rolled into the FY22 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 FY22 will open **mid-June** for entry of FY22 purchase orders and encumbrances. Make sure to pay close attention to transaction dates when entering Purchase Orders in June. Any orders for FY22 need to have Purchase Orders created in FY22 instead of entered in FY21 and rolled forward.

Purchase orders remaining “open” at the end of FY21 Period 12 will be rolled into Period 01 of the FY22 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 BennyBuy Document Search to identify all purchase orders for which final payment may have already occurred. Close any unnecessary open encumbrances by changing the status to “Closed”. All remaining open POs will be rolled to FY22.

For additional PO and Encumbrance Monitoring information, review the materials on The Office of the Controller’s Training website: <https://fa.oregonstate.edu/controller/resources/training-department>

## UNEARNED INCOME

Review deposits made in June to determine whether the income has been earned. If the services were not performed by June 30<sup>th</sup>, 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<sup>th</sup>, will record the unearned (undistributed) income – use rule code 3JV1:

Debit Index (originally credited) Original Account Code 0xxxx  
 Credit Fund (same as index above) \_\_\_\_\_ Account Code B5901 Accrued  
 Undistributed Income  
 Text: “FY21 to record unearned income  
 First and Last Name, xxBC, 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. Remember to 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 OnBase 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 FY21 and Period 01 FY22 are open concurrently, immediately reverse the above JV in Period 01 FY22 using a July 1<sup>st</sup> date and rule code 3JV1.

2. The reversing entry dated July 1<sup>st</sup> – 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: “FY22 to reverse FY21 unearned income accrual  
 First and Last Name, xxBC, 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](#) 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 [financial-acctg-analysis@oregonstate.edu](mailto:financial-acctg-analysis@oregonstate.edu). Please include appropriate background and detail information with your questions.

### General Questions

Charlotte Rooks	737-5422
Mark Fryman	737-0624
Ying Wang	737-3792

### Fixed Assets

Iqbal Khurram	737-6047
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## **Plant Funds & Assessments**

Nancy Boedigheimer 737-7601

## **PCMM Accounts Payable**

RaeLee Aguilar 737-9370

## **Travel**

Stephanie Smith 737-1825

## **PCards**

Ashley Brown 737-0650

## **Autopays**

Holly Holloway 737-0635

## **Payroll**

Susan Hall 737-8610

## **Accounts Receivable/Cash**

Lissa Perrone 737-6127

Russell Brown 737-0643

Zeah Seeber-Stoye 737-4109

## **Purchasing**

Tamara Gash 737-8044

## **Gift and Foundation Funds**

Ying Wang 737-3792

## **Grant Funds**

OSRAA 737-4933

## **Email Addresses**

[budget.office@oregonstate.edu](mailto:budget.office@oregonstate.edu)

[cashiers.office@oregonstate.edu](mailto:cashiers.office@oregonstate.edu)

[departmental.deposits@oregonstate.edu](mailto:departmental.deposits@oregonstate.edu)

[Accounts.Payable@oregonstate.edu](mailto:Accounts.Payable@oregonstate.edu)

[financial-acctg-analysis@oregonstate.edu](mailto:financial-acctg-analysis@oregonstate.edu)

[fixed.assets@oregonstate.edu](mailto:fixed.assets@oregonstate.edu)

[paymaster@oregonstate.edu](mailto:paymaster@oregonstate.edu)

[wire.transfers@oregonstate.edu](mailto: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>

## TERMS AND DEFINITIONS

**ACCRUAL ACCOUNTING:** All year, OSU operates on a modified-accrual basis. When invoices are approved for payment, the entry is to Debit (Dr) Expense and Credit (Cr) Accounts Payable. When the check to the vendor is cut, the entry is to 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<sup>th</sup> 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 Receivable Year-End Accruals.

**ACCOUNTS PAYABLE:** Expenses should be incurred, if goods or services were received, either completely or substantially in full, by June 30<sup>th</sup>. If an invoice is not received and processed with June 30<sup>th</sup> by the year-end deadline and the purchase amount is over \$2,000, the item should be listed on the Year-end AP Accrual Spreadsheet sent to PCMM A/P.

**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:** Represent 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 FY21 for a camp being held in FY22;
- 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 Accrued Undistributed Income.

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 OSU. If the customer fails to meet his/her commitment, the deposit becomes earned revenue to OSU 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 \$2,000.