

## General Accounting Year End Notes

### Notes for Slide 3 – Year-End Payroll Adjustments and Accruals

Please begin reviewing your salary accounts **now** to ensure expenses booked year to date are correct. Please do not wait until the last minute to correct salary that has been misbooked all year.

Instructions for this salary transfer form are directly next to the link when you go to the slide two link.

If you are transferring salary to an Endowment AU, please remember that fringe benefits will be allocated after the salary transfer is booked – do not overspend the endowment.

SPA payroll adjustments are due earlier – General Accounting cannot process! Do not send to us after you miss the SPA due date.

Please review your salary accounts in May and early June to make sure your **summer faculty** are being charged to the correct AU-Accounts. Summer faculty salary should be charged to the specific summer salary accounts (5026 or 5031). If they are not booked correctly, please contact HR to correct the future payments, and submit a Salary Transfer Request as soon as possible to Gen Acct to move the payments already booked.

Summer faculty salary will be accrued by General Accounting, do not send any accruals including these expenses.

### Notes for Slide 4 - none

### Notes for Slide 5 – Setting Up a Payable

**Purpose** : to record a current fiscal year expense for an invoice which was incurred and received but not yet paid. This will ensure that the expense is recorded in the current year budget as was estimated at the beginning of the year. If these entries are not received and recorded on time, the expense will not be recorded and the financial statements could be misleading. The expense would also be charge to the following year's budget which will lower your available funds for the following fiscal year.

**Send all applicable invoices to AP by June 30<sup>th</sup>. Beginning July 5<sup>th</sup> any invoice over \$10k can be processed using the expense accrual form.**

**If you cannot get the invoice to AP in time for processing for year end, entries should be received to accounting inbox by 7/7/17.**

Any entries received following 7/7/17 will be judged on the amount of the invoice. This means if it is not deemed material by General Accounting and arrives late, the expense will be charged to the following year's budget. No exceptions will be given.

Must use the correct JE format – the form on the slide. If we receive an entry close to the deadline that has mistakes and we need to go back and forth to get it corrected, there is a chance it will not get in due to firm dates in General Accounting.

Valid accounting unit-account code pairs must be on the submitted form.  
Combine onto one form instead of multiple separate entries of small amounts.

**If you do not have the invoice in hand, but are aware the expense has been incurred:**

- You can send the entry in as an estimate and value the expense as a “best guess” of what the invoice will be.
- Example: The invoice for the same period in the prior year was \$500,000; send an entry accruing the invoice for \$500,000.

**Attachments to be sent with entries:**

Include “accrual” in the subject line of the email to the accounting inbox.

If you do not do this, there is a chance the entry will be missed. Our inbox is very full at year end and special attention is paid to those with “accrual” in the subject line.

Attach the invoice that is being accrued so it can be added as a supporting document to the entry.

If the entry is an estimate, attach some support (either a prior period or prior year invoice) that shows the estimate is an accurate representative of the amount the invoice will be.

**Expense Accruals AFTER 7/7/17 due date**

If there is a significant invoice greater than \$25,000 - contact GA

**Notes for Slide 6 – Prepaid Expenses**

**Examples – Subscriptions, expenses for FY18 travel, expenses for FY18 events**

**Review Procards for items purchased for following year, or even charges that should be applied to FY17 that have not yet been charged to the correct expense account.**

**Point 3 note-**Note in the entry to book as auto-reversing and the amount will automatically repost to the expense account in the following period. Provide support (invoice) showing it is an FY18 expense.

**Follow up in your Webfocus reports after year end to make sure the amount is transferred from 1810 to the correct expense account. If it is not, you will need to submit an expense transfer to move the item to the expense account in FY18.**

**Notes for Slide 7 – Other Items to Note**

-All activity that happens prior to June should be processed before June begins. All FY17 cleanup should be done before June begins. **Please start reviewing your AUs and accounts immediately and process all needed transfers now.**

-If your department needs to make FY17 “cleanup” adjustments, please combine on one entry. Do not submit separate entries for small amounts.

### **Notes for Slide 8 – Setting up a Receivable**

- Revenue that has been earned, but not yet recorded or received
- If you are aware of any revenue that will be received in FY18 but relates to FY17 – please submit an accounts receivable form with the necessary support so the revenue will be recorded in the correct Fiscal year (distributions, sponsorships, etc.)
- If you are unable to make it to the bursar office by 3 PM on June 30th, please email General accounting using the Accounts Receivable form to set up a receivable for the revenue that was not recorded
  - Make sure that the actual deposit submitted to the bursar in FY18 uses the same revenue account as indicated on the accounts receivable form
- Please make sure that all sizeable credit card receipts from FY17 are submitted to the bursar. If these are not submitted to the bursar by 3 PM on June 30th, please let General Accounting know so that these can be accrued

### **Notes for Slide 9 – Revenue Deferrals**

- A revenue deferral should be used for any events or conferences that take place in FY2018 but the cash is received prior to June 30<sup>th</sup>
- Please review your May and June Bursar deposits carefully to ensure that all FY18 revenue is recorded to 2210. This will help us cut down on the amount of revenue deferral entries processed
- In FY18, we ask that you submit an expense transfer to move the revenue to the correct account if the original deposit was recorded to 2210 by the bursar
  - Transfers submitted as revenue deferrals to General Accounting will automatically post the revenue to the correct account in period 1 of FY18

### **Notes for Slide 10 – Equipment Purchases & Disposals**

- Please refer to AP (slide 13) & Purchasing (Slide 22) for due dates
  - Purchasing will go over their deadlines to update POs– make sure that FY17 purchases are marked as received with a FY17 date in the purchasing system
- A payable/accrual will need to be set up for any equipment items for which the item was physically received in FY17 but not paid (see slide General Accounting Slide 5 for direction to set up accrual)
- Equipment or artwork received as gift-in-kind should have the appropriate support (e.g. appraisal)
- Equipment disposal forms will ensure that all items that were disposed of are properly removed from our asset register
  - Please make sure to include the appropriate approvals for disposal from department heads (and HSD Finance for HSD equipment)
- Equipment disposal forms along with Loyola's capital asset management policy can be found on the Finance website under General Accounting forms and Finance Policies:
  - [http://www.luc.edu/media/lucedu/finance/pdfs/Equipment\\_Disposal\\_Form.pdf](http://www.luc.edu/media/lucedu/finance/pdfs/Equipment_Disposal_Form.pdf)
  - <http://www.luc.edu/finance/capitalassetmanagementpolicy/>