

Washburn University Memorandum

To: All Faculty and Staff
From: Alex Deters, Director of Accounting
Date: May 14th, 2024
Subject: Year-End Financial Closing Procedures

This memo outlines the procedures and key dates associated with closing the fiscal year ending June 30th, 2024. If you have any questions or need additional clarification, a list of contacts is provided below.

In the guidance below, a “FY24 purchase,” is a purchase where the goods are received, or services are rendered on or before June 30th, 2024. A “FY25 purchase,” is a purchase where the goods are received, or services are rendered on or after July 1st, 2024. 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 FY24 funds the items must be received by June 30th, 2024 or the service must be completed by June 30th, 2024.

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 14th through June 30th. ***If you need a PO to be issued before June 30th, you must submit the requisition before June 12th.*** 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 FY24 budget, goods must be received or services rendered by June 30th, 2024. Issuance of a PO before June 30th will encumber your FY24 budget, but if the goods/services are not received until July or later, your FY25 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 FY25 is issued, and the goods/services are received on or before June 30th, the expense will be charged to FY24.

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 FY24 revenue is recorded in the proper period, cash receipts for FY24 revenues ***must be*** deposited with the cashiers by Friday, June 28th at 1:00 pm.

Cash deposited after June 28th will be recorded as FY25 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 2024 pay calendars.

Supplemental pay relating to services performed in FY24 must be charged to the FY24 budget. To do this, supplemental pay forms (available at <https://washburnmail.sharepoint.com/sites/Payroll/SitePages/PAYROLL-FORMS.aspx>) must be submitted to VPAA/VPAT and Payroll (for approval) no later than Friday, June 14th.

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 vpaadocs@washburn.edu if they are for faculty, and email any staff supplementals to payroll@washburn.edu. Both VPAA and VPAT will forward onto payroll for processing after they have been approved.

Any payroll redistributions for FY24 needing to be processed must be submitted to payroll by Monday, July 15th. These will be completed by July 29th.

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 28th or your last day of business in June. By Friday, July 5th, 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 28th. However, early count dates entail additional accounting cut-off procedures. Thus, early counts are discouraged. If you wish to perform an early count, contact Alex Deters.

Refer questions about inventory to Alex Deters.

Journal Vouchers

Procedures: This section addresses any Journal Voucher to be processed for FY24 to correct expense/revenue postings, move expenses to correct lines, post chargebacks to departments, etc.

All FY24 journal vouchers must be received in the accounting office by Monday, August 12th. Any journal vouchers received after this date will not be processed as the FY24 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 Alex Deters.

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 FY24 travel should be submitted to Accounts-Payable, by Friday, July 12th.

If a travel period extends beyond June 30th, into FY25, 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, Tammy Parsons, or Megan Johnston.

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 FY24 funds for payment the goods & services must be received by June 30th. Ordering the items prior to June 30th does not encumber FY24 funds for the purchase. The items MUST be received and on campus as of June 30th to encumber and use FY24 funds.**

Procedures: Vendor invoices fall into one of four categories:

1. Invoices received on or before June 30th, for FY24 purchases.
2. Invoices received after June 30th, for FY24 purchases.
3. Invoices received on or before June 30th, for FY25 purchases.
4. Invoices received after June 30th, for FY25 purchases.

A *FY24 purchase/expense* is a purchase where the goods are received or services rendered on or before June 30th, 2024. A *FY25 purchase/expense* is a purchase where the goods/services are received on or after July 1st, 2024.

Invoices in categories (1) and (2) should be sent to Accounts Payable by Friday, July 12th. ***Please also clearly mark them as FY24 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 FY24 purchase by July 12th, 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 FY24 budget.** Accrual information must be submitted by Friday July 12th. Please see the next section for more information about accruals.

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

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 which have been incurred but have not yet been invoiced or paid/recorded in the general ledger (expense accrual). 2) Revenues which have been earned, but not yet received/recorded (Accounts Receivable). 3) Revenue which 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 (FY24) and the expense will not be paid prior to the July 12th, cutoff date.

For instance; you received some furniture on June 28th, but by July 12th, 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 FY25, and once the payment is sent to AP for processing later in July, the payment will use FY25 funds rather than the planned (and correct) usage of FY24 funds. By putting this expense on your accrual list, you will be able to use FY24 funds to cover this FY24 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. An invoice 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.

An accrual form is attached for you as well as a sample of a completed form. 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 Schmidtlein | Accounts Payable | amy.schmidtlein@washburn.edu | 2035 |
| Tammy Parsons | Accounts Payable | tammy.parsons@washburn.edu | 2044 |
| Megan Johnston | Accounts Payable | megan.johnston@washburn.edu | 3325 |
| Mary Gruber | Accounting | mary.gruber@washburn.edu | 2031 |
| Alex Deters | Accounting | alex.deters@washburn.edu | 2036 |
| Kamie Lamb | Grant Accounting | kamie.lamb@washburn.edu | 2314 |
| 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 15 th | 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 15 th | Department orders for June | To purchase with FY24 funds, prepare the PO and order items for delivery by June 30 th . | Items must be received by June 30 th , to use FY24 funds. |
| | June 13 th | Submit final FY24 PO's | Last day to submit FY24 PO's to purchasing. | PO's will not be processed for FY24 purchases from June 14-30 th |
| | June 14 th | Payroll | Submit exempt staff supplementals to VPAA/VPAT and make sure all FLAC contracts for Summer courses are accepted, approved and locked in FLAC. | To make the payroll cutoff date for all June payroll. |
| | June 14 th | Vendors we owe | Items received, but no invoice? Contact vendors requesting the invoice. | Need to submit to AP to use FY24 funds by July 12 th . |
| | June 24 th | One Card | One Card charges after this date will be charged to FY25 (no exceptions). | One Card cutoff is June 24 th . |
| | June 28 th | Deposits | Submit all deposits (cash receipts) to the business office by 1 PM. | For the bank cutoff timing for year-end reconciliation. |
| | June 28 th | Who owes us money | Have we (or do we) need to bill for services/purchases rendered in FY24, if so send invoices out and add them to the Accounts Receivable Accrual listing. | To properly record income for FY24. |
| | June 28 th | Who paid early | Did someone pay us in FY24 for services we will provide in FY25, if so add to the Unearned Revenue Accrual listing. | To properly record FY25 income. |
| | June 28 th | Inventory | For those units having supply inventories, take inventory counts and submit to Accounting by July 5 th . | So FY24 inventories can be recorded at the accurate amount. |
| | June 28 th | FY24 purchases | Goods must have been received or services rendered in order to be shown as a FY24 expense. | To properly record FY24 expenses and use FY24 funds. |

Year-End Closing Procedures

| Check when completed | Date | Item | Action | Why |
|-----------------------------|-----------------------|----------------------------|--|--|
| | July 12 th | Vendors & employees we owe | Last day AP will accept FY24 invoices for payment against FY24 funds. | To meet the AP cutoff for FY24 purchases. |
| | July 12 th | Vendors we owe | Add any remaining FY24 purchases (items received by 6/30, but not yet paid for) to the expense accrual listing. | To properly record FY24 expenses and use FY24 funds. |
| | July 12 th | Accrual list | Review expense accruals, accounts receivable accruals, and unearned revenue accruals and submit your final list to accounting. | To properly record FY24 accruals. |
| | July 15 th | Payroll | Submit FY24 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 FY24 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 12 th | Journal Vouchers | Last day to submit a FY24 journal voucher which needs posted. | To make sure all items are paid, and posted correctly. |
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FISCAL YEAR END CLOSING ACCRUAL OF EXTERNAL INCOME (Accounts Receivable)

This is to record income which 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 28th take your deposits for any income received to the cashiers by 1PM.
 2) June 28th send out invoices to all remaining customers who have not yet paid for current FY services.
 3) June 28th, list below each customer invoiced who owes the University for services performed during the current FY.
 4) Attach appropriate supporting documentation for each accrual listed, preferably a copy of the invoice sent to 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: |
|----------------|-------|------------------|-------|------|----------|----------|-----------|-----------|---------|
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FISCAL YEAR END CLOSING DEFERRAL OF EXTERNAL INCOME (Unearned Revenue)

This is to record income which 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 28th 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 in the 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: |
|----------------|--------------------|-------------------------------|-------|------|----------|----------|-----------|-----------|---------|
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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 which 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 28th 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 28th 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 was 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 | W88888888 | Office Chair | P0099999 | 6/27/2023 | 100000 | 300000 | 723100 | 11000 | | | \$ 245.00 |
| | | | | | | | | | | | |
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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 which 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 28th take your deposits for any income received to the cashiers by 1PM.
 2) June 28th send out invoices to all remaining customers who have not yet paid for current FY services.
 3) June 28th, list below each customer invoiced who owes the University for services performed during the current FY.
 4) Attach appropriate supporting documentation for each accrual listed, preferably a copy of the invoice sent to 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 | 10000 | | | \$ 200.00 |
| USD 501 | DayCamp Day at Washburn - food | 6/28/2023 | 100000 | 300000 | 590270 | 10000 | | | \$ 150.00 |
| Jock's Nitch | imprinted notebooks | 6/23/2023 | 100000 | 300000 | 590250 | 10000 | | | \$ 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 which 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 28th 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 in the 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 | 10000 | | | \$ 200.00 |
| | | | | | | | | | |

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