Finance Seminar

www.wesleyan.edu/finance

YEAR END

- Why all the deadlines?
- Workflow
- A/P vouchers and deadlines
- Purchase Orders
- Purchasing Card
- Travel
- Year end payroll charges
- Central bill expenses
- Deposits
- Accruals and prepaid expenses
- Budget information
- Accrual examples

Why all the deadlines?

- Budget analysis
- Audited Financial Statements
- Internal Control Report
- Federal Government Oversight
- KPMG Audit Procedures

NOW

- Pcard Vouchers reconciled

- Outstanding workflow documents

- Budget Analysis

- Prepaids

- Close Purchase Orders

- No more furniture orders

- NEW: All vouchers entered by end of day on **June 21st**

- NEW: All accruals emailed to mmessier@wesleyan.edu by **June 28th**

New Supplier Requests

- **Effective May 1st: W9 is required — Suppliers will no longer be created without a W9.**

- **June 15th — Any Suppliers on Hold will not transition to Workday and will need to be created in Workday on July 1st using the New Supplier Link.**

- **June 17th — No more new Suppliers will be created until July 1st in Workday.**

- **June 28th — Vouchers for Suppliers on Hold will be deleted and will need to be re-entered in Workday.**

Review Vouchers on Hold

New Procurement Card

- Try not to request new cards starting on May 15th (FROST)

- No more card applications will be processed starting June 15th (FREEZE) – new applications will be processed starting July 1st in Workday.

Journal Entries

- Try to complete all journal entries by June 15th (FROST)

- June 29th will be the last day to enter journal entries in WFS.

- Any journals not approved by July 15th will be deleted in WFS.

WORKFLOW

WORKFLOW

- All Smartdocs must be processed by year end.
- Follow up on Denied status
- Request Deletions
- Set a proxy if out of the office

To Find Document Status
Find an existing value - Journals

Smart Journal Entry

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value | Add a New Value

Business Unit:	=	WSLYN
Journal ID:	begins with	
Journal Date:	=	
Workflow Status:	=	No Request
Originating Oprid:	begins with	VNYE
Document Sequence Number:	begins with	
Line Business Unit:	=	
Journal Header Status:	not =	Posted to Ledger(s)
Budget Checking Header Status:	=	
Source:	=	ONL

☐ **Case Sensitive**

Search | Clear | Basic Search | 💾 Save Search Criteria

Find an Existing Value | Add a New Value

Find an existing value: Vouchers

Smart Voucher

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value | Add a New Value

Voucher ID: contains [ ]
Invoice Number: begins with [ ]
Invoice Date: = [ ] 📅
Short Vendor Name: begins with [ ]
Vendor ID: begins with [ ] 🔍
Name 1: begins with [ ]
Voucher Style: = [ ]
Related Voucher: begins with [ ]
Entry Status: = [ ]
Voucher Source: = [ ]
Workflow Status: = [Pending]
Originating Oprid: begins with [ ] 🔍

☐ Case Sensitive

Search   Clear   Basic Search   💾 Save Search Criteria

Search Results

OR: WFS Inquiry

Accounts Payable Vouchers Determining the Fiscal Year

What it IS

- The work is performed

- The goods are received

- The travel occurs

What it is NOT

- Order date

- Payment date

- Invoice date

- Budget funds available

Accounts Payable Deadlines

Contact Vendors for Accelerated Billing

Expenses Incurred And Billed	Vouchers Due	Paid By
Through May 31	June 12	**June 28th**
June	**June 21**	**June 28th**
Unbilled	Accrual	N/A

PURCHASE ORDERS

- **NEW:** Last day to enter a purchase order will be June 14th.

- Review Open purchase orders to be sure vouchers cleared the encumbrances.

- Open purchase orders will not carry forward to the next fiscal year **NEW: (no purchase orders carried forward to Workday including Grants & Construction Services)**

- If the PO is no longer applicable, request it be closed via email to ckost@wesleyan.edu .

CTW OneSource offline on June 15th for Purchasing

- Review outstanding receiving by clicking the check box in the upper right corner and mark received items as received.

- If item will never be received, consult Receiving Guide with instructions on how to close the purchase order.

- Place all orders well in advance of June 15th to avoid encumbrances closing in FY 24 before the item is received.

- **Receiving will remain open until June 21st**

PURCHASING CARD

- Carefully review for prepaid expenses:
  - Goods paid in fiscal 2024, received fiscal 2025
  - Travel paid in fiscal 2024, occurs in fiscal 2025
  - Enter 3 lines for a prepaid transaction (reviewed in a later slide)
- Additional download dates for budget review
  - June 5, 24, 30
  - Any transactions in June not available on June 30th for the download will be posted to FY 25 in Workday

TRAVEL

- Charged to the year in which the travel occurs

- Crosses fiscal years
  - Charged to the year in which the majority of travel takes place.
  - If it is exactly half the expenses must be split.
  - Accrual may be necessary for estimated expenses.

Timing of Year End Payroll Charges

Employees	Pay Period Ending	Check Date	Distribution to Financial System
Weekly Paid	Sunday, June 30th	Friday, July 5th	Thursday, July 4th
Semi-Monthly & Monthly Paid	Sunday, June 30th	Friday, June 28th	Tuesday, June 25th

It is important that Student and Temp charges also be reflected in the year in which the work was performed. Therefore, please review and approve all timesheets in a timely manner (by noon on Tuesday following the week worked).

Year End Payroll Processing Guidelines

WEEKLY
All time for the pay period ending Sunday, June 30th is due to be approved in Workforce Time by Noon on Tuesday, July 2nd (no change in current policy)

MONTHLY/SEMI-MONTHLY
All earnings for the pay period ending Sunday, June 30th is due to be submitted to Payroll by HR or Academic Affairs by noon on Thursday, June 20th.

CENTRAL BILLED EXPENSES

EXAMPLES

- Physical Plant Labor
- Wes Station
- Cardinal Technology Center
- Purchasing Card
- FEDEX
- Bon Appetite
- Machine Shop

During the month of June these expenses will be billed weekly. **NEW:** *The last day they will be processed is June 21st. Any charges after June 21st will be charged to FY 25 in Workday.*

DEPOSITS

- HIT SUBMIT

- CASH - Deposit transmittals due to Cashier by 10:00 on **June 19**.

- CHECKS – Deposit transmittals due to Cashier by 10:00 on **June 21**.

- The Deposit transmittal will come offline at 10:00 am on **June 21**. Starting July 1st, deposits should be entered into Workday.

- If cash is due for work performed in fiscal 2024, you may request a receivable by emailing mmessier@wesleyan.edu) by Friday, **June 28$^{th.}$**

Prepaid Expenses

- Prepaid expenses are transactions that <u>require payment during the old fiscal year</u>, but which are appropriate to be charged to the new fiscal year.

- Common types of prepaid expense requests:
  - Reimbursement for airfare for travel occurring after July 1st.
  - Deposits for catalogs and publications relating to the new fiscal year.

Prepaid Expenses Accounting Process

- Transaction relates to next year.

- Payment is needed now. (If not now, hold the invoice until new year is open)

- Examples: Airfare, Conference fees, Subscriptions

Recording Prepaid Transactions

- Enter 3 lines for one expense if the goods or services are to be received after June 30th.

- The first two lines are a positive and negative amount to the correct smartkey and account code – resulting in a net zero impact on the current year budget.

- The third line records the prepaid – use your correct smartkey and account code **13705**.

	Amount	Smartkey	Description	Account	Description	Budget Line Status
1	5.00	1001053100	EARTH & ENVIRON SCI	83100	CONSULTANT FEES I	Valid
2	-5.00	1001053100	EARTH & ENVIRON SCI	83100	CONSULTANT FEES I	Valid
3	5.00	1001053100	EARTH & ENVIRON SCI	13705	PREPAID EXPENSES	Bypass

Distribution Lines   Personalize | Find | 🗗 | 🖩   First ◄ 1-3 of 3 ► Last

Accruals

- Year end accrual transactions would be required for an item that has been contracted for and will be received by June 30th, but the invoice paperwork will not be received in time to process the AP voucher(s) according to the year end deadlines.
- Common types of accrual requests:
  - Services performed but not yet billed.
  - Travel that occurs during June with documentation received in July.

Year End Accruals
Accounting Process

Departments have until June 28th to request accruals by emailing mmessier@wesleyan.edu.

*** *Any expenses for goods or services received in FY 24 but not accrued by June 28th will become an invoice and an expense in FY 25 in Workday.*

Requesting an Accrual by June 28th

The request for accrual should contain the same information as a normal AP voucher:

- Vendor Information
- Smartkey/account to be charged.
- Amount of the accrual (best guess estimate)
- Description of the item (include as much information as possible)
- Authorizations to process the transaction. Use the published guidelines to determine what authorizations are necessary.

BUDGETS

- Wesleyan has balanced its budget for 29 consecutive years.
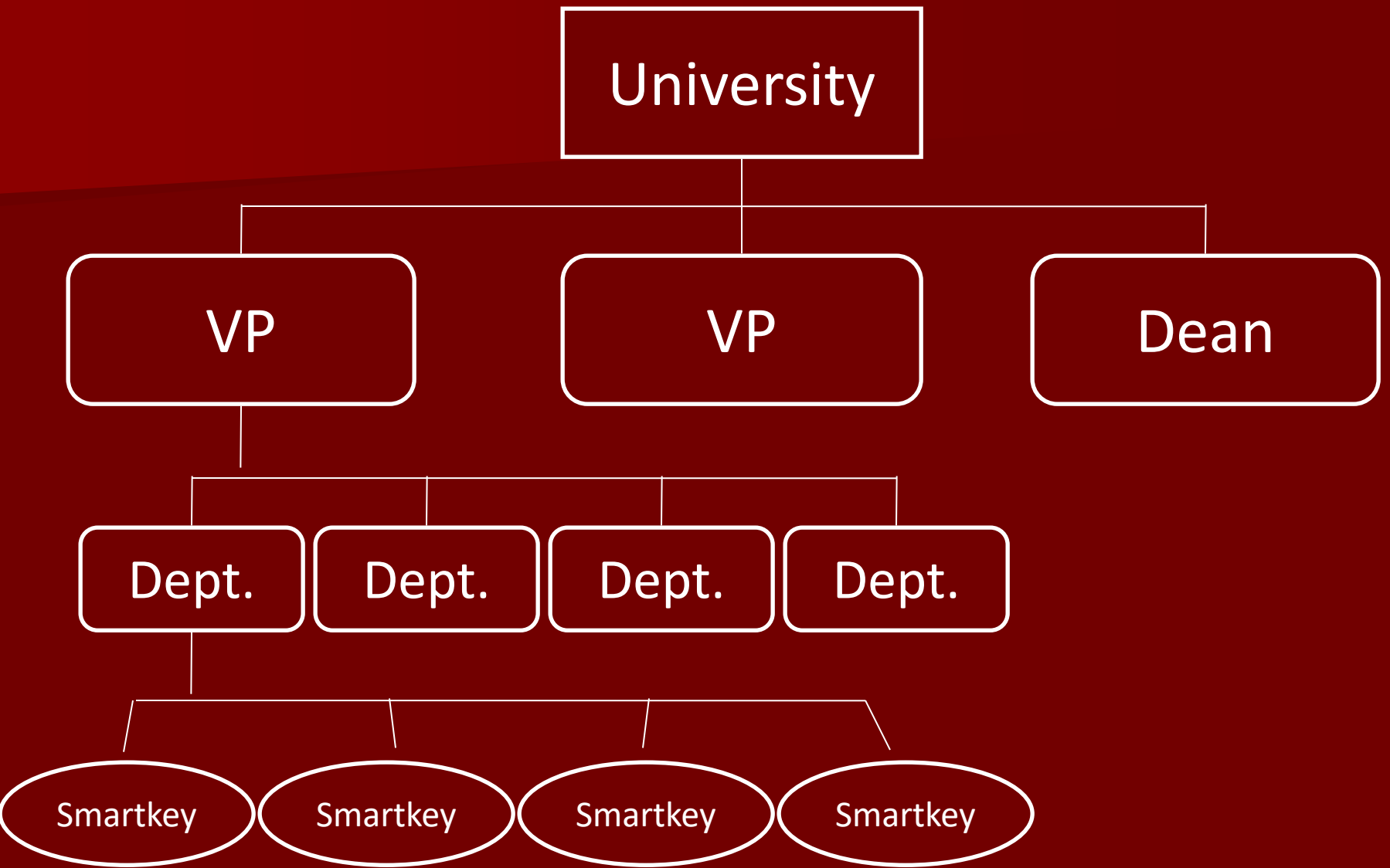
Reports

- Inquiry Reports (Updated nightly)
  - Smartkey Summary
  - Smartkey/Account Subgroup Summary
  - Smartkey/Account Summary
  - Transaction Detail
  - Personnel Earnings Detail

Budget Status

- **Use Smartkey Summary for overall budget status. General guideline is:**
  - April Month-End = % spent should be approx. 83.3%
  - May Month-End = % spent should be approx. 91.7%
  - June Month-End = % spent should be approx. 100.0%

- **Drill down to Smartkey/Account Summary or Transaction Detail to research problem smartkeys.**

Budget Checking/Warnings

- Budget Checking occurs at the level at which your department budgets (Attribute = KK Value)
  - TP = Program level
  - TS = Account Subgroup level (e.g., travel)
  - TD = Account detail level (e.g., airfare, lodging)

- Budget warnings (in yellow) indicate that there are insufficient funds for the po, voucher or journal entry at the level at which you budget.
  - You should transfer budget to fund the expense prior to submitting the po, voucher or journal.
  - Transactions with budget warnings may be allowed to be processed depending on the policy for your officer area

- Budget errors (in red) indicate that there are insufficient funds in the smartkey for the PO, Voucher or Journal
  - Transactions with budget errors can not be submitted to workflow
  - Budget will need to be transferred, or a different funding source will need to be identified, before the transaction can be processed

Budget Transfers

- Budget transfers are not reflected in WFS until they have been fully approved.

Deadlines

- June 27th – deadline for budget transfers to be fully approved.

Payroll Redistributions

- A payroll redistribution is a specialized journal to transfer payroll expenses.

Important dates/deadlines:

- June 7th – deadline for payroll redistribution prior to May 31st (90 day limit still applies)
- Final payroll for June will be reflected in Personnel Earnings Detail in WFS on July 4th.
- July 10th @ 12:00 pm – deadline for June payroll redistribution
- These deadlines are applicable for all funds (including grants).

Policies

- With the exception of certain faculty research smartkeys, the University does not carry forward unrestricted operating budget funds.

- Open purchase orders will not carry forward.

QUESTIONS

Accrual Example
Accounting Process and Entries

In June, a request was made for $500 to be charged to the department for the old fiscal year for services performed during June, but which will not be billed until July. This request has been approved by the departmental chair. Finance has notified the department that this entry will be accrued.

Accrual Example
Accounting Process and Entries

Accrual entries for <u>old fiscal year</u> via journal entry initiated by Finance based on email:

1) Debit/charge the departmental Smartkey.

2) Credit the accrual Smartkey.

Department			Accrual		
Smartkey/Account (8XXXX)			Smartkey/Account (43300)		
Debit	Credit		Debit	Credit	
$500 - JNL				$500 - JNL	

Accrual Example
Accounting Process and Entries

Accrual entries for <u>new fiscal year</u> via accounts payable voucher initiated by department:

1) Debit/charge the departmental Smartkey via the A/P Voucher.
2) Ad-hoc Susan Pavis into workflow and note "accrual".
3) Finance will process a journal entry to debit the accrual Smartkey and credit the department.

Department		Accrual	
Smartkey/Account (8XXXX)		Smartkey/Account (43300)	
Debit	Credit	Debit	Credit
$500 – VCHR (Dept)	$500 – JNL (Fin)	$500 – JNL (new year)	

Accrual Example
Accounting Process and Entries

- The net effect of these entries is that the Department account has been charged in the old fiscal year, the transactions net to zero in the new year and the Accrual account has been cleared to $-0- after the new fiscal year has opened.

Department Smartkey Old Year		Department Smartkey New Year	
Debit	Credit	Debit	Credit
$500 - JNL		$500 –VCHR	$500 –JRNL