

Business Manager Fiscal Year End Training- General Accounting Office

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We want you to feel comfortable working with our office. We are here to serve you and the university's financial needs. If you have any questions relating to financial issues of the university – call, email us or stop by and visit. We will do our best to answer your question or find someone who can.

Year End FAQ's:

1. Major Deadlines:
Please see Year End Closing Dates handout.

2. Why do we have these deadlines and why is the year end closing schedule so important?
Year-end close is a very busy time in the accounting and finance office. Many of the dates we provide are based on State legislated deadlines for reporting of financial information. These deadlines also help us to close the books in time to prepare for the audit. In order to meet these deadlines we rely on the cooperation of many individuals on campus. Thank you for your cooperation in meeting these deadlines.

3. Annual Financial Audit
Each year we are visited by an independent accounting firm to perform a financial audit.

This will be transparent to most of the campus community. It is normal protocol for the Auditors to request information from the AVP for Finance, University Controller and Assistant Controller, the General Accounting staff, and / or the University Internal Auditor. The audit firm that will be on campus is Rubin Brown.

4. What if an auditor requests financial information from me?

Information is generally requested by the auditors through the accounting office or the internal auditor. Please ask the auditor contact one of those offices directly and ask for the information. Our staff may then contact your office for additional information, if necessary. If you are asked to discuss items with the auditors, please answer their question honestly.

5. What do you mean by “Fiscal Year?”

The fiscal year is the “business year” we use for financial reporting and is different from the calendar year. The fiscal year we use is the same as the State of Colorado, July 1 thru June 30.

During the month of July, the University will be completing the accounting work for the fiscal year ending June 30, 2018. We will also be starting our new fiscal year 19, starting on July 1, 2018.

**For any financial transactions related to fiscal year 2018, please provide the appropriate documents, information, etc. to accounting as soon as you receive them. This is a very busy time of year and many people take vacation at this time. Please refer to the year-end closing schedule to ensure that your documents are processed in a timely manner and within the correct fiscal year.

**Please be aware of the dates used for deposits, invoices, etc. The dates used to process documents by will determine the year in which they are recorded. Please write FY18 or FY19 at the top of all documents being submitted at the end of June and beginning of July.

6. What is an Accrual?

- A method of measurement in accounting that requires all transactions to be recorded when expenditure was incurred or revenue earned, regardless of when cash payment is made or received.
- No accruals are allowed for internal goods and services provided
- Accrual entries will be reversed in new year
 - o This causes a credit to show up for expenses and debit for revenues
 - o When actual revenue or expense posts, the new year balance will be zero

Accounts Payable/Expense:

- Occurs when an individual provided services to your department prior to June 30, but was not paid until July
- Accounts payable accruals will be automatically set up based on invoice date for all transactions received in Accounts Payable by the due date of July 5th and marked as FY18.

Prepaid Expenses:

- FY19 expenses (services to be received) required to be paid in advance in FY18
- Only recorded for amounts of \$5,000 or more. Please use activity code 99PPD, if you meet this criteria at the end of your FOAP.

Revenues/Accounts Receivable:

- Occurs when services are provided by your department during June, but payment is received after June 30th
- If your department has provided goods and services to external customers, but not received payment by June 30, send an email to General Accounting requesting that the revenue and A/R be established. General Accounting has will stay in communication with those departments that routinely have A/R entries that are necessary and be in contact with them at year end.

Deferred Revenue:

- Payment received prior to June 30th, for services that will occur in FY19
- Please notify General Accounting if you have this situation to post the entry.

7. Why is it important that I code Expenses and Revenues to the correct FOAP and Fiscal Year?

- The executive board and trustees for the university rely on accurate reporting to make university decisions. In addition, the information from the financial statements is reported to credit reporting firms (Moody's, Standard & Poor's, etc.), Federal agencies, and Higher Education organizations to rank and rate UNC.
- Information from Banner is used to compare UNC to other Universities in the State and throughout the country. This information is often used by the legislature for funding.
- An increased emphasis has been placed on revenue generation and cost savings. If items are not coded correctly budgetary assumptions may not properly reflect what may happen in the upcoming year(s). In order to develop a realistic budget, accurate actual information is needed. The true cost of running an organization or program must be known before it can be determined whether or not it has sufficient resources.
- The financial services accounting specialists will be reviewing diagnostic reports to ensure, as reasonably as possible, that expenses and revenue have been recorded in the proper FOAPs. This has been done throughout the year, but a much greater emphasis is placed on this at year end. Please review the different funds and organizations for which

you are responsible. It is very important that expenses and revenue are recorded in the proper FOAP.

The accurate reporting of each individual unit ensures that the financial statements, as a whole, are accurate. Everyone should report items as accurately as possible.

8. I ordered items during FY18, but they won't be delivered until FY19. What fiscal year will the expense be recorded in?

The date in which items are received by the University determines the fiscal year in which the expense will be recorded. If they are received in June, 2018 they will be recorded in the FY18. If they are received in July they will be recorded in the FY19.

9. What about other year end accounting entries?

At the end of the year, accounting services must make entries to properly record information in the financial system for accurate reporting. Some of these entries involve the classification of assets, calculating depreciation, properly recording liabilities, determining how much cash needs to be recorded on the books, etc. If information is needed from your area to complete these entries, you will be notified. If no one contacts you, and you still want to know about these processes, please contact the Controller or Assistant Controller.

10. Entries are made to my FOAP and I wasn't notified. Why and how does this happen?

To the best of its ability, the accounting staff notifies areas when their FOAPs are affected by a correcting or specific adjusting entry. We generally will not notify people of certain year end entries like the recording of bad debt expense, inventory adjustments, etc. If you feel that a member of the accounting staff should have notified you, please contact the Controller or Assistant Controller.

11. During July do I still need to look at my FOAPs for FY18?

YES, it is important that any information that is not correct be identified immediately. Once the year end period is closed, and the financial statements are being prepared it becomes very difficult to make changes.

12. How will I keep up with all of these critical deadlines?

- Please refer to the year-end closing dates and any schedules provided to you by Accounts Payable, Payroll, Purchasing, and/or other administrative areas.
- Assign tasks and prepare schedules to ensure that you will be able to complete these items by the deadlines provided.
- Please watch for memos and announcements. These should contain the name of the contact person if you have questions on them. If not please contact the appropriate staff accountant or the university controller.