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**MEMORANDUM**

**TO:** Campus Fiscal Officers  
**FROM:** James Price  
**DATE:** April 26, 2017  
**SUBJECT:** Year-end Closing Procedures and Schedule

Enclosed is the schedule for processing year-end documents for June 30, 2017. The schedule is provided for your information and guidance as you schedule the year-end activities in your areas of responsibility. A pull-off reminder schedule is included as the last page of this document. Please note dates for information needed by the Budget and Finance Office are also enclosed on the reminder schedule. Specific requests will be sent at a later date, but we wanted to alert you to due dates at an earlier time. Please remember our objective is to record revenues, disbursements and encumbrances in the proper fiscal year.

**PAYROLL OFFICE**

All salary or additional/overtime pay to be charged to FY 2017 must be paid through the normal payroll cycles prior to July 1, 2017. Personnel Information Forms and pay adjustment forms to be reflected on the June monthly payroll must be received in the Campus HR/Payroll Office by Thursday, June 15. PIF's for the biweekly pay period ending June 25 are due on Wednesday, June 21.

To be included in the current fiscal year, all payroll checks to be cancelled and all salary transfer vouchers to be posted must be received in the University Payroll Office by noon Thursday, June 15. Longevity paid in June includes both May and June longevity. The Controller's Office will record wages and benefits in period 12 for the following: June earnings of the biweeklies paid on July 3<sup>rd</sup> and 18<sup>th</sup> and amounts owed to 9-month employees paid over 12 months.

**EFFORT CERTIFICATION**

A final FY 2017 payroll will be run on Wednesday, July 5, 2017 to process June ECR's and salary transfers.

## CASH RECEIPTS

Funds must be recorded in the fiscal year they are received. Funds received in University offices prior to the close of business on June 30 must be deposited on separate bank deposit slips and forwarded with a separate Report of Collections (ZK document) dated June 30, 2017 to be received in the Campus Cashier's Office (Bursar) no later than Thursday, July 6, 2017 by 9:00 a.m., preferably earlier. Funds received in the University offices beginning July 1 and later will be deposited to fiscal year 2018. It is critical that separate bank deposit slips and Report of Collections (ZK document) be processed for funds received on or after July 1, 2017.

## ACCOUNTS PAYABLE OFFICE

**Invoices Entered by Departments:** All items that are to be charged to fiscal year 2017 must be entered and approved by midnight on July 11, 2017. The "Posting Date" field on the "Enter Vendor Invoice" screen **must be changed to 06/30/2017** for items entered into IRIS after June 30, 2017 that are to be charged to fiscal year 2017 (see screen below). Items entered into IRIS on or after July 1, 2017 will be charged to the new fiscal year if this posting date is not changed to 06/30/2017.

**Standard Invoice Entry**

Tree on Document Park Attach and Complete Post Simulate Complex posting Editing options

Transactn Invoice Bal. 0.00

Basic Data Payment/Withholding Tax

Vendor Payee  
Invoice date Invoice Nbr  
Posting Date 06/30/2017 Assignment  
Document Type Net vendors Co Code UT University of Tennessee  
Amount Discount  
Remittance Text  
IRIS DocHdr Txt  
Document Number

0 Items ( Screen Variant : UT Parked Invoices 0100 )

S...	G/L acct	Short Text	D/C	Amount in doc.curr.	Assignment	Text	Cost center	Order
			Debit					
			Debit					
			Debit					
			Debit					
			Debit					
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			Debit					

During the fiscal year transition, a department may occasionally encounter date restrictions for invoicing against purchase order commitments. The general rule is that a commitment and the liquidation of that commitment must be in the same fiscal year, so that an FY 2018 invoice cannot be entered against an FY 2017 purchase order (PO) until the PO has been carried forward into FY 2018. The department can either change the *Posting Date* of the invoice to 06/30/2017 (to post to FY 2017) or hold the invoice until the commitment has been carried forward. Conversely, an FY 2017 invoice cannot be entered against an FY 2018 PO. You would need to change the *Posting Date* on the invoice so that it will post to FY 2018 as well.

**Items Entered by the Accounts Payable Office:** All travel related invoices, invoices in foreign currencies and other disbursement items normally sent to the Treasurer's Office for processing must be received in the Treasurer's Office by the close of the third working day in July, which is Thursday, July 6<sup>th</sup>. The final processing of these documents will be the seventh working day of July, or Wednesday, July 12<sup>th</sup>.

**Items Routed to and approved by Campus Business Offices/TO Accounts Payable Office:** All items reviewed and approved by Campus Business Offices and/or the TO Accounts Payable Office (85xxxxxxx contract invoices, miscellaneous reimbursements, T-27 without contract, etc.) must be in their IRIS inboxes by the close of the third working day in July, which is Thursday, July 6<sup>th</sup>. The final processing of these documents will be the seventh working day of July, or Wednesday, July 12<sup>th</sup>.

**Procurement Cards:** The June cutoff date for purchases made by departmental procurement cards will be June 27, 2017. The final date to distribute charges through the procurement card system for the June purchases will be July 12, 2017. The procurement card default account will be charged for all purchases if you are unable to access the procurement card system and distribute and approve the charges by that date. Procurement card purchases made on June 28 – 30 will be charged to the new fiscal year.

**Petty Cash:** Petty cash funds should be reconciled frequently to ensure that the cash on hand and expenditure receipts equal the amount of the petty cash fund. In addition, the fund must be reconciled at the end of each fiscal year (June 30). Departments will receive a letter, reconciliation forms, and instructions at each year end. The forms need to be completed with attached copies of vouchers in transit, bank account statement, and any other information pertaining to the reconciliation. To avoid suspension or fund closure, please submit these forms to the Treasurer's Office by July 12, 2017. Petty cash funds are subject to audit by university and state auditors.

**Travel:** Any travel ending July 1, 2017 or later will be charged to FY 2018.

### **UNDELIVERED CHECKS**

Undelivered checks that will be more than twenty-one (21) days old at June 30 should be returned to the Treasurer's Office with the returned envelope. These checks should reach the office indicated below no later than Wednesday, June 14, 2017, by noon.

Payroll Checks: Must be returned to the Payroll Office, Room P115, Andy Holt Tower.

Voucher Checks: Must be returned to the Accounts Payable Office, 301 Andy Holt Tower.

Miscellaneous Checks: All financial aid checks and other miscellaneous checks must be returned to the Accounts Payable Office, 301 Andy Holt Tower.

### **CONTROLLER'S OFFICE**

The schedule established for the various stages of the year-end closing process by the Controller's Office is as follows:

1. Departments may run an "interim" ledger (**zdept\_ledger**) at the close of business on Monday, July, 3.

The interim ledger will include:

- a. Invoices which have been entered through Friday, June 30.
- b. Interfaces which have been processed through Friday, June 30.
- c. Regular internal transfer documents (ZDs) which have been processed through Friday, June 30.
- d. SA documents which have been processed through Friday, June 30.
- e. Salary transfer vouchers received by Wednesday, June 14 will be included in this report.
- f. Payroll vouchers including the biweekly payroll for the pay period ending June 11 will be paid on June 20.
- g. Cash receipts (ZK documents) to the extent they have been accepted for posting. This should include all ZKs except for June 29 and 30.
- h. Interim F&A and settlement postings as of June monthly payroll posting.

The "interim" ledgers should be reviewed so that any necessary corrections and/or adjustments can be processed in time to be reflected in accounting period twelve.

2. FY2017, period 13 and period 01 of FY 2018, will be opened June 25 for purchasing and financial transactions. New fiscal year items in hand should not be processed in IRIS until this date.
3. **Any FY 2017 parked internal transfers (ZD documents) still on hand at July 13 will be deleted.**
4. The accounting close for the month of June (period 12) is scheduled for the fourteenth working day of July, or Friday, July 21.

Departments may print final June 30, period 12 monthly ledgers and reports when notified by the

Controller's Office. These ledgers will include all regular June (period twelve) transactions for the fiscal year that were generated by invoices, payroll vouchers, salary transfer vouchers, cash receipt vouchers and all purchasing activity. Regular transfer vouchers and journal vouchers will be included to the extent they are processed through the Treasurer's Office by Wednesday, July 12.

## **OFFICE OF AUDIT AND CONSULTING SERVICES**

As part of the year end close process, the Office of Audit and Consulting Services will select a sample of physical inventories to observe at VolShop only.

### **OUTSTANDING ENCUMBRANCES**

Due to historical and expected volume this year-end, departments are encouraged to submit all procurement requests (NCJ's -both contract and requisition, requisitions and all supporting documentation) as soon as possible. Beginning on May 15<sup>th</sup>, all requests will be processed in the order received and rush or expedite requests will need to be supported with justification and subject to Purchasing approval.

During the first two weeks of June, all departments must review their purchase requisitions and purchase orders that have an outstanding balance in FY 2017, with special attention to those originally dated prior to 07/01/2017. The Commitments Line Items report FMRP\_RFFMEP10X can be run with the selection variant /OUTST.PO.REQ and a Fund or Funds Center selection. This report lists all active purchase requisitions and orders (not all will have a balance), with opportunity to drill down to the original documents. After the department identifies obsolete requisitions and orders (those for goods or services they do not intend to receive or have already received), they must contact their campus purchasing office to close (**not** delete) the documents and notify the vendors. All commitments not closed by departmental action in FY 2017 will be carried forward to FY 2018. **There is not automatic "clean-up" of commitments at year end.**

Requisitions entered prior to June 30 for the purchase of goods or services to be delivered after June 30 must show delivery dates on or after July 1. Delivery date can be changed via transaction ME52N if needed. Requisitions initially encumber current fiscal year funds but are carried forward to the new fiscal year on July 1.

New purchase orders entered prior to or on June 30 for goods or services to be delivered after June 30 must be entered with **document** dates on or after July 1, so they will encumber next fiscal year's funds. Document date cannot be changed subsequently. All PO's are carried forward to the new fiscal year right after the deadline for entering old fiscal year invoices.

Encumbrances for departmental funds reservations are carried forward on the same day as PO's. Encumbrances for business trips that will occur in the new fiscal year are carried forward on July 1, with remaining encumbrances carried forward the same day as PO's.

## **CLOSING REMARKS**

In view of the volume and diversity of transactions which must be processed and recorded during the closing process, it is essential that all Business Offices cooperate fully in the timely submission of closing information. In particular, requests for disbursement vouchers must be scheduled for frequent submissions in June in order to reduce the volume of transactions on the final submission date.

Please distribute this memorandum to all business personnel in your area who are involved in the year-end closing process in order that they may be aware of the target dates which have been established for the various stages of the closing process. Thank you for your cooperation.

**OFFICE OF BUDGET AND FINANCE  
SCHEDULE OF YEAR END ACTIVITIES  
FOR YEAR ENDED JUNE 30, 2017**

<u>DATE</u>	<u>ACTIVITY</u>
May 15	-Deadline for requisitions and supporting documentation to be submitted to Purchasing for purchase orders to encumber funds by fiscal year-end -FY 2018 will be opened for purchasing transactions (FM Period)
June 15	-Deadline for June monthly payroll forms -Deadline for salary transfer vouchers -Deadline for payroll checks to be cancelled to be returned to Payroll -Deadline for all undelivered checks (over 21 days old) to be returned to the Treasurer's Office
June 21	-Deadline for final FY 2017 bi-weekly payroll forms
June 25	-FY 2018 will be opened for purchasing and financial transactions for invoices dated 7/1 & later only -Deadline for departmental procurement card purchases
June 30	-Deadline for Accounts Receivable Write-off requests (T-35's) to be received by Budget and Finance
July 3	-Deadline for departments to enter ECR's and STV's
July 6	-Deadline for all disbursement vouchers, T27s and transfer vouchers to be included in FY 2017 to be received in Treasurer's Office -Deadline for cash receipts to be parked by departments and received in Bursar's Office
July 12	-Final processing of invoices and transfer vouchers for FY 2017 -Deadline for distribution of charges on procurement card system -Deadline for petty cash reconciliation reports
July 13	-Parked FY 2017 ZD documents deleted
July 14	-Close June accounting period (period 12)
July 17	-Final payroll accrual for bi-weekly
July 19	-Period 12 Accounts Receivable Reconciliations and A/R Aging must be received by Budget & Finance by <b>noon</b> -Period 12 Reconciliations for other Asset and Liability funds (including deposit funds and Revolving Accounts) must be received by Budget & Finance by <b>noon</b> -Accruals or adjusting entries must be received by Budget & Finance by <b>noon</b>
July 21	-Period 12 Ledgers may be printed
August 16	-Final close for FY 2017