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**The University of Tennessee – Knoxville
Office of Budget & Finance**

INFORMATION & INSTRUCTIONS

Fiscal Year End Reporting Manual:

- [Accounts Receivable](#)
- [Accounts Payable](#)
- [Deferred Revenues & Deposits](#)
- [Prepaid Expenses & Deferred Charges](#)
- [Inventory](#)
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June 2023

Contacts for Assistance with Fiscal Year End Reporting

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Fiscal Year End Reporting: Accounts Receivable, Accounts Payable, Deferred Revenues & Deposits, Prepaid Expenses & Deferred Charges, Inventory, Revolving Accounts and Deficit Balances

The Controller's Office prepares the University's annual financial statements each year. An important component of the financial reports is the accurate accounting for and reporting of inventories, accounts receivable, accounts payable, deferred revenues, deposits, prepaid expenses, and revolving accounts. These categories are defined below.

Each department is required to determine if these categories exist as of the close of the accounting period – June 30, 2023. If these categories exist, the department must submit the required information to the Office of Budget & Finance by the date(s) noted on the [reminder schedule](#) to register the balances with the Office of Budget & Finance. The Office of Budget & Finance will review and in turn report the year-end journal entries to the Controller's Office.

Instructions for accounting for and reporting information in these categories are provided on the following pages.

Reporting Accounts Receivable

Accounts Receivable is the amount of money **OWED TO** a department for goods or services sold to **outside parties**. The amount should be recorded as an asset and the revenue recognized in the proper fiscal year. Accounts that are no longer collectible should be written off by submitting a [Form T-35](#) to the Office of Budget & Finance by the deadline noted on the attached pull-off [reminder schedule](#). Any write-off requests received after this date will post in the subsequent fiscal year. *Write-offs can be requested throughout the year and do not have to wait until the year-end process.* Refer to [FI0305](#) for additional information on the proper handling of accounts receivable. **NOTE:** Amounts owed by other UT departments are NOT considered as Accounts Receivable for financial statement purposes because these funds are within the University.

Credit Balances in Accounts Receivable: Amounts due to be returned to a customer outside the University, either as a result of a customer overpaying an invoice or as a result of a refund due to the customer for returned goods, may be reclassified as a liability (Accounts Payable), if significant.

Each department is required to provide a Cover Memo along with supporting schedules and other documentation to report the department's Accounts Receivable as of June 30, 2023 to the Office of Budget & Finance. Please refer to the [reminder schedule](#) for due date(s). **The documents listed below are required for each A/R fund maintained by the department, including A/R Returned Check accounts.** If the department does not have an A/R account but needs one to be established, contact Melissa Johnson johnsonm@utk.edu to request a new account. Otherwise, the receivable will be posted to the departmental expense cost center.

[A/R Reporting Package](#) (click link to open file):

- ◆ The Cover Memo should summarize the total dollar value of the Aged Accounts Receivable. If there was no activity and/or the fund balance is zero, check the "No Activity and/or Zero Balance" box, and identify the Contact Person. The department head must sign the cover memo to attest to the accuracy of the balances, including zero balances. An e-signature is fine; otherwise print, sign and attach the cover memo as pdf document. **(Required)**.
- ◆ Schedule 1: Detailed list of receivables by individual customer account balance according to age of the invoice(s). If no activity, complete Section B only when there is an A fund. **Schedule 1 is required for each active A/R fund at year-end.**
- ◆ Schedule 2: List customers with credit balances, noting the nature of the credit balance. Depending on the amount of the balance, our office may reclassify the balances for financial statement reporting, if significant. **Schedule 2 is required for each A/R fund to be adjusted at year-end, if any credit balances exists.**
- ◆ A/R Template: Use this template to record the journal entry per the instructions included in the spreadsheet. **A template is required for each A/R fund to be adjusted at year-end.**
- ◆ PLEASE READ [Additional A/R procedures](#).

Return completed reporting package as an excel file and other supporting documents as a pdf, via email, to Pam Arrowood parrowoo@utk.edu by the due date.

Reporting Accounts Receivable (cont'd)

IMPORTANT:

Do not record receivables from other UT departments!

EXAMPLES:

- #1 – [No Activity and/or Zero Balance](#)
- #2 – [Book receivable to A Fund](#)
- #3 – [Book receivable to Income Cost Center](#)
- #4 – [Returned Check No Activity](#)

Reporting Accounts Payable

Accounts Payable is the amount of money **OWED BY** a department for goods or services purchased from vendors. The amount should be recorded as a liability and the expense recognized in the proper fiscal year. Specific instructions on invoices that have been processed in IRIS by the payables deadlines can be found on the included [reminder schedule](#). The Office of Budget & Finance can accrue current year payables that were **not** entered in IRIS by the payables deadlines to recognize the liability in the proper fiscal year. **NOTE:** The accrual will be reversed in the new fiscal year. Thus, departments should process the invoice in the new fiscal year.

Debit Balances in Accounts Payable: Amounts due to be received by a department, either as a result of overpaying an invoice or as a result of a refund due to the department for returned goods, may be reclassified as an asset (Accounts Receivable), if significant.

Each department is required to provide a Cover Memo along with supporting schedules and other documentation to report the department's Accounts Payable as of June 30, 2023 to the Office of Budget & Finance. Please refer to the [reminder schedule](#) for due date(s). **The documents listed below are required for each A/P fund maintained by the department.** If the department does not have an A/P account but needs one to be established, contact Melissa Johnson johnsonm@utk.edu to request a new account. Otherwise the payable will be posted to the departmental expense cost center.

[A/P Reporting Package](#) (click link to open file):

- ◆ The Cover Memo should be completed for each A/P fund. If there was no activity and/or the fund balance is zero, check the "No Activity and/or Zero Balance" box, and identify the Contact Person. The department head must sign the cover memo to attest to the accuracy of the balances, including zero balances. An e-signature is fine; otherwise print, sign and attach the cover memo as pdf document. **(Required)**.
- ◆ Schedule 1: Detailed list of payables by individual invoice. If no activity, complete Section B only when there is an A fund.
Schedule 1 is required for each active A/P fund at year-end.
- ◆ Schedule 2: Vendors with debit balances. Depending on the amount of the balance, our office may reclassify the balances for financial statement reporting, if significant.
Schedule 2 is required for each A/P fund to be adjusted at year-end, if any debit balances exists.
- ◆ A/P Template: Use this template to record the journal entry per the instructions included in the spreadsheet.
A template is required for each A/P fund to be adjusted at year-end.

Return completed reporting package as an excel file and other supporting documents as a pdf, via email, to Pam Arrowood parrowoo@utk.edu by the due date.

IMPORTANT:

Remember to process invoices in new fiscal year!

Reporting Accounts Payable (cont'd)

EXAMPLES:

#1 – [No Activity and/or Zero Balance](#)

#2 – [Book Payable to A Fund](#)

#3 – [Book Payable to Expense Cost Center](#)

Reporting Deferred Revenues & Deposits

Deferred Revenues: If a department has received amounts for services not completely performed or goods not yet received by the customer at the close of the accounting period, these amounts should be reclassified as Deferred Revenues. Some departments record the cash receipts directly to Deferred Revenue and therefore do not have to reclassify the amounts as they are correctly recorded.

Deposits: Amounts held with the expectation that the funds will be returned to the customer upon completion of an agreed-upon condition. Example: Deposits on equipment rentals. If the funds were recorded as revenue when received, they should be reclassified to a liability (Deposits). If recorded directly to a Deposit liability, no reclassification is necessary.

Each department is required to provide a Cover Memo along with supporting schedules and other documentation to report the department's Deferred Revenue and Deposits as of June 30, 2023 to the Office of Budget & Finance. Please refer to the [reminder schedule](#) for due date(s). **The documents listed below are required for each Deferred Revenue or Deposit fund maintained by the department.** If the department does not have a Deferred Revenue or Deposit account but needs one to be established, contact the Melissa Johnson johnsonm@utk.edu to request a new account. Otherwise, the revenue will be posted to the departmental income cost center.

[Deferred Revenue/Deposit Reporting Package](#) (click to open file):

- ◆ The Cover Memo should be completed for each Deferred Revenue or Deposit fund. If there was no activity and/or the fund balance is zero, check the "No Activity and/or Zero Balance" box, and identify the Contact Person. The department head must sign the cover memo to attest to the accuracy of the balances, including zero balances. An e-signature is fine; otherwise print, sign and attach cover memo as pdf document. **(Required)**.
- ◆ Schedule 1: List customers who have prepaid for future services or customers who have paid deposits. If no activity, complete Section B only when there is an A fund.
Schedule 1 is required for each active Deferred Revenue or Deposit fund at year-end.
- ◆ Deferred Revenue/Deposit Template: Use this template to record the journal entry per the instructions included in the spreadsheet.
A template is required for each Deferred Revenue or Deposit fund to be adjusted at year-end.

Return completed reporting package as an excel file and other supporting documents as a pdf, via email, to the Pam Arrowood parrowoo@utk.edu by the due date.

EXAMPLES

#1 – [No Activity and/or Zero Balance](#)

#2 – [Book Deferred Revenue to A Fund](#)

Reporting Prepaid Expenses & Deferred Charges

Prepaid Expenses: Amounts that are paid in this fiscal year for goods or services to be provided in the next fiscal year should be recognized as prepaid expenses. Common examples include maintenance contracts, rent of building space and insurance premiums.

Deferred Charges: A long-term category of prepaid expense that will benefit future periods, normally greater than 12 months.

Each department is required to provide a Cover Memo along with supporting schedules and other documentation to report the department's Deferred Charges and Prepaid Expenses as of June 30, 2023 to the Office of Budget & Finance. Please refer to the [reminder schedule](#) for due date(s). **The documents listed below are required for each Deferred Charges fund maintained by the department.** If the department does not have a Deferred Charges account but needs one to be established, contact the Melissa Johnson johnsonm@utk.edu to request a new account. Otherwise, the expense will be posted to the departmental expense cost center.

[Deferred Charges/Prepaid Expenses Reporting Package](#) (click to open file):

- ◆ The Cover Memo should be completed for each Deferred Charges fund. If there was no activity and/or the fund balance is zero, check the "No Activity and/or Zero Balance" box, and identify the Contact Person. The department head must sign the cover memo to attest to the accuracy of the balances, including zero balances. An e-signature is fine; otherwise print, sign and attach cover memo as pdf document. **(Required)**.
- ◆ Schedule 1: Amounts that have been prepaid to vendors for future services. If no activity, complete Section B only when there is an A fund.
Schedule 1 is required for each active Deferred Charges fund at year-end.
- ◆ Deferred Charges/Prepaid Expenses Template: Use this template to record the journal entry per the instructions included in the spreadsheet.
A template is required for each Deferred Charges fund to be adjusted at year-end.

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EXAMPLES

#1 – [No Activity and/or Zero Balance](#)

#2 – [Book Deferred Charge to A Fund](#)

Reporting Inventory

Inventories: Items held for sale as part of a department's normal operations (goods for resale) OR items to be incorporated into or consumed in the production of goods and services for sale (raw materials), should be reclassified from expense to an asset. **NOTE:** Office supplies are NOT inventory because these will not be sold to customers or used in the production of goods or services. Capital equipment is also NOT resale inventory.

Each department is required to provide a Cover Memo along with supporting schedules and other documentation to report the department's Inventory as of June 30, 2023 to the Office of Budget & Finance. Please refer to the [reminder schedule](#) for due date(s). **The documents listed below are required for each Inventory fund maintained by the department.** If the department does not have an Inventory account but needs one to be established, contact the Melissa Johnson johnsonm@utk.edu to request a new account.

[Inventory Reporting Package](#) (click to open file):

- ◆ The Cover Memo should summarize inventory by location for each Inventory fund. If there was no activity and/or the fund balance is zero, check the "No Activity and Zero Balance" box, and identify the Contact Person. The department head must sign the cover memo to attest to the accuracy of the balances, including zero balances. An e-signature is fine; otherwise print, sign and attach cover memo as pdf document. **(Required)**.
- ◆ Schedule 1: Detailed Inventory Listing for each Inventory fund. Should you already have an internally generated list, you can record "See Attached" in the Description field, record the total inventory value in the Extended Cost field, and include the internal listing as an attachment. If no activity, complete Section B only when there is an A fund.
Schedule 1 is required for each active Inventory fund at year-end.
- ◆ Inventory Template: Use this template to record the journal entry per the instructions included in the spreadsheet.
A template is required for each Inventory fund to be adjusted at year-end.
- ◆ **PLEASE READ** [Additional inventory procedures](#).

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EXAMPLES

#1 – [Book Inventory to A Fund](#)

Reporting Revolving Accounts

A revolving account generally accounts for the income and expenditures of substantially self- supporting activities. At fiscal year-end, the balances in the income and expense accounts are netted and the resulting sum is closed out to the revolving account.

Each department is required to provide a Cover Memo along with supporting schedules and other documentation to report the department's Revolving Account as of June 30, 2023 to the Office of Budget & Finance. Please refer to the [reminder schedule](#) for due date(s). **The documents listed below are required for each Revolving fund maintained by the department.**

[Revolving Account Reporting Package](#) (click to open file):

- ◆ The Cover Memo should be completed for each Revolving fund. If there was no activity and/or the fund balance is zero, check the “No Activity and Zero Balance” box, and identify the Contact Person. The department head must sign the cover memo to attest to the accuracy of the balances, including zero balances. An e-signature is fine; otherwise print, sign and attach cover memo as pdf document. **(Required)**.
- ◆ Schedule 1: Identify activity to be recorded in Period 13.
Schedule 1 is required for each active Revolving fund to be adjusted at year-end.
- ◆ Revolving Account Template: Use this template to record the journal entry per the instructions included in the spreadsheet.
A template is required for each Revolving fund to be adjusted at year-end.

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EXAMPLES

#1 – [Book activity to Revolving Fund](#)

**OFFICE OF BUDGET AND FINANCE
SCHEDULE OF YEAR-END ACTIVITIES
FOR YEAR ENDED JUNE 30, 2023**

<u>DATE</u>	<u>ACTIVITY</u>
May 1	-Deadline for requisitions and supporting documentation to be submitted to Purchasing for purchase orders to encumber funds by fiscal year-end
May 13	-FY 2024 will be opened for purchasing transactions (FM Period)
June 13	-25 th bi-weekly payroll paid
June 14	-Deadline for final FY 2023 bi-weekly payroll forms -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 UTSA Office of Finance -Deadline for moving allowances to be paid & posted in this fiscal year
June 18	-26 th bi-weekly payroll period ends
June 19	-FY 2023 will be opened for purchasing and financial transactions for invoices dated 7/1 & later only
June 23	-Last day to make procurement card purchases for FY23
June 25	-Deadline to distribute, reconcile, mark complete and approve May 2023 procurement card charges
June 28	-Deadline for departments to enter ECR's and STV's
June 30	-Deadline for Accounts Receivable Write-off requests (T-35's) to be received by Budget & Finance
July 6	-Deadline for all disbursement vouchers, T27s and transfer vouchers to be included in FY 2023 to be received in the UTSA Office of Finance -Deadline for receipt of fully approved FY23 CONCUR travel transactions into the Workflow Inbox of UTSA Travel Office
July 7	-Deadline for cash receipts to be parked by departments and received in Bursar's Office
July 12	-Deadline to distribute, reconcile, mark complete and approve June 2023 procurement card charges -Deadline for petty cash reconciliation reports -Final processing of invoices, travel and transfer vouchers for FY 2023
July 13	-Parked FY 2023 ZD documents deleted (also KN, KG, RN, ZU and ZZ parked documents) -Close June accounting period (period 12)

- July 14 -Final Payroll accrual for biweekly
-Period 12 Accounts Receivable Reconciliations and A/R Aging must be received by Budget & Finance by **noon**
-Period 12 Reconciliations for other Asset and Liability funds (including deposit funds and Revolving Accounts) must be received by Budget & Finance by **noon**
-Accruals or adjusting entries must be received by Budget & Finance by **noon**
- July 21 -Period 12 Ledgers may be printed
- August 15 -Final close for FY 2023