

MICHIGAN STATE UNIVERSITY

May 9, 2011 (Revised May 26, 2011)

TO: Deans, Directors, Chairpersons and Executive Managers
FROM: David Brower
Assistant Vice President, Chief Financial Officer and Controller
SUBJECT: YEAR-END 2011 CUT-OFF PROCEDURES

The University's accounting procedures for the end of fiscal year 2010-2011 are as follows:

Financial System fiscal period definitions:

Within the financial system, months of the year are represented as fiscal periods. Because MSU's fiscal operating year runs from July 1 – June 30 annually, Fiscal Period 1 represents July activity, Fiscal Period 2 represents August activity, and so on.

Fiscal Period 12 – represents June monthly closing. In past years, this period was referred to as June 1st Close.

Fiscal Period 13 – represents a period of time after Period 12 for units to make correcting entries for June transactions. In past years, this timeframe was referred to as the period between June 1st Close and June 2nd Close.

Fiscal Period cutoff dates:

1. Fiscal Period 12 will close to **campus users** at 5:00 PM Tuesday, July 5, 2011. All financial system documents must have all necessary departmental approvals by this date/time. Period 12 will remain open for Central processing/approval of financial system documents until 5:00 PM Monday, July 11, 2011, at which time Period 12 will close permanently. Fiscal Period 1 (July) for the new fiscal year will then open July 12, 2011.
2. Campus users may continue to process documents after the Period 12 deadline, but transactions not available for Central processing by 5:00 PM Tuesday, July 5, 2011 will be treated as new year (July) activity. For example, a Distribution of Income and Expense document created on June 15, but not receiving Fiscal Officer (FO) approval by July 5 can continue in the system, but will be treated as new year activity once all approvals are received.
3. Fiscal Period 13 will be open to **campus users** beginning July 12, 2011 through 5:00 PM Monday, July 18, 2011 for correcting Period 12 balances. Please note, only financial system "Year End Transactions" documents are available for use during Period 13 and are limited to the following document types: 1) YE Budget Adjustments, 2) YE Distribution of Income and Expense, 3) YE General Error Correction, or 4) YE Transfer of Funds. These documents are located at the Main Menu, bottom of the middle section. All YE documents must have all necessary departmental approvals by this date/time.

NOTE: Year end financial documents will route according to any established organizational reviews and will route for Fiscal Officer approval.

Fiscal Period 13 will remain open for Controller's Office use throughout the year end closing process. All campus user-based YE financial documents submitted for Central processing after 5:00 PM Monday, July 18, 2011 will be cancelled. Requests for the posting of YE documents after this deadline may be made via email to accounting@ctrl.msu.edu and will be addressed on a case by case basis.



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Operating Statements (FIN049) will continue to be updated nightly and available for units' daily review throughout the Period 12 and 13 closing process. Final Operating Statements for Period 12 will be published July 12, 2011, while Period 13 Operating Statements are expected to be final by July 27, 2011.

Financial Transactions:

1. ***Disbursement Vouchers and Invoice Payments:*** all Disbursement Vouchers must have all departmental approvals and awaiting central Accounting approval by 5:00 PM Tuesday, July 5, 2011. As a reminder, Disbursement Vouchers cannot be completed without an approved vendor listed within the financial system.

Invoices to be paid against purchase orders issued in 2010-2011 must be received by Accounts Payable, 103 Angell Building, by 5:00 PM Tuesday, July 5, 2011. The financial system will determine the fiscal year the payments will be allocated against based upon the invoice date. Invoices are posted to the GL upon submission of the Payment Request by Accounts Payable.

2. ***Cash Receipts:*** all cash and check deposits submitted as a Cash Receipt financial document must have all departmental approvals and awaiting Cashiers Office approval by 4:45 PM Friday, July 1, 2011. Funds to be deposited must also be delivered to the Cashiers Office by 4:45 PM Friday, July 1, 2011. Cash receipts will not be accepted on Tuesday, July 5, 2011. On this day, cashiers will be processing all deposits received as of July 1st to ensure they are posted as Period 12 (June) activity. Any armored car or courier deposits delivered on July 5, 2011 will not be processed until July 6, 2011 and will be posted as July activity.
3. ***Credit Card Receipts:*** all credit card deposits initiated through the financial system via the Credit Card Receipt document must have all departmental approvals and awaiting Cashiers Office approval by 4:45 PM Friday, July 1, 2011. If receipts are not scanned and attached to the financial document, they must be delivered to the Cashiers Office by 4:45 PM Friday, July 1, 2011. Any receipts received on July 5, 2011 will not be processed until July 6, 2011 and will be posted as Period 1 (July) activity in the new year.
4. ***Advance Deposits:*** all financial documents for recording deposits made directly to bank accounts by June 30, 2011, including lock box deposits, should be approved and in "FINAL" status by 5:00 PM Tuesday, July 5, 2011. Advance Deposits may not be recorded between July 6, 2011 and July 11, 2011, but may resume beginning July 12, 2011, and will be recorded as July (Period 1) activity.
5. ***Non-Check Disbursements:*** all financial system Non-check Disbursement documents must have all departmental approvals and awaiting Central Accounting approval by 5:00 PM Tuesday, July 5, 2011.
6. ***Service Billings (eDocs and Auto feeds):*** all departmental service billings must be submitted and in "FINAL" status by 5:00 PM Tuesday, July 5, 2011 to be charged as June activity. Service billing units may not bill between July 6, 2011 and July 11, 2011. Billings may resume beginning July 12, 2011, and will be recorded as July (Period 1) activity.
7. ***MSU Purchasing Card Transactions:*** departments are encouraged to not delay transactions until late in June. Card transactions must be posted by the bank by June 30, 2011 in order to charge 2010-2011 funds. Be aware that charges made late in June may not be posted by the bank until July. All transactions with a bank posting date of June 30, 2011 will be available for processing in the financial system (via the PCDO document) until 5:00 PM Monday, July 11, 2011. At that point, all PCDO financial documents still enroute will be automatically approved by the system. Transaction files for the new fiscal year (beginning July 1, 2011) will be archived and will not be loaded into the system until July 12, 2011 for processing in the new fiscal year – Period 1 (July).
8. ***University Stores:*** all orders/requisitions from University Stores to be charged against funds for 2010-2011 must be received by Stores by 12:00 noon Thursday, June 30, 2011.
9. ***Departmental Receivables:*** any amounts due to the University for goods or services rendered prior to July 1, 2011 that will be submitted to Departmental Receivables for invoicing should be reported to Departmental Receivables, 110 Administration Building, by 12:00 noon Monday, June 27, 2011. This will ensure credit to your department's accounts for 2010-2011 fiscal year.

10. **Professional Service Contracts:** requisitions submitted with Professional Service Contracts (PSC) for inclusion in 2010-2011 fiscal year activity must be received by the Purchasing Department by 5:00 PM Wednesday, June 15, 2011 in order to ensure processing in the 2010-2011 fiscal year. Departments may contact Erin Lynch at lyncher@msu.edu regarding requisitions submitted with a PSC after this deadline. These requests will be evaluated and addressed on a case by case basis.
11. **Capital Equipment:** requisitions for equipment to be encumbered against funds for 2010-2011 must be received by the Purchasing Department by 5:00 PM Friday, May 20, 2011, in order to ensure processing in this fiscal year. Invoices for capital assets must be received by Accounts Payable, 103 Angell Building, by 5:00 PM Tuesday, July 5, 2011. Unpaid equipment received by June 30, 2011 must be reported to Capital Asset Management (CAM) by 5:00 PM Tuesday, July 5, 2011. Departments should notify CAM by Thursday, June 23, 2011, if equipment has been received, but not tagged.

Any equipment that is in non-working condition should be retired or transferred to the MSU Surplus Store. All financial system capital asset disposal documents need to be approved and in "FINAL" status by 5:00 PM Thursday, June 30, 2011.

12. **Administrative Fee:** the administrative fee assessed on May 2011 cash receipts and June 2011 cash receipts will both appear on fiscal Period 12 (June) operating statement.
13. **Travel Payments:** payments for travel will be based upon the actual period of travel. Travel expenditures incurred through June 30 should be processed on a financial system Disbursement Voucher approved and awaiting Central Accounting approval by 5:00 PM Tuesday, July 5, 2011. In those cases where the Period of travel encompasses June 30, the expenditures should be charged to the fiscal year in which the travel predominately takes place.
14. **General Fund Carryforwards:** unspent general fund budget balances for General Fund accounts will be carried forward past June 30 consistent with the University carryforward guidelines.
15. **Human Resource/Payroll:** the last bi-weekly payroll process for fiscal year 2010-2011 will be posted to the financial system on Friday, July 1, 2011.

All salary redistributions applicable to legacy system payroll processing (July 1, 2010 - December 31, 2010) must be approved by Human Resources and Contracts & Grants (if necessary) and provided to the Payroll department by 5:00 PM Wednesday, June 1, 2011.

All salary redistributions applicable to SAP system payroll processing (January 1, 2011 – June 30, 2011) must be processed along with normal payroll processes. Accordingly, any redistributions within SAP must be initiated by departmental staff (through SAP) and have all approvals by 5:00 PM Wednesday, June 22, 2011. Requests made after this date should be sent via email to payroll@msu.edu and will be addressed on a case by case basis.

Fiscal Officers should continuously review their MAU Payroll Default Accounts for overdrafts. These accounts are unfunded and charges may have been incurred as a result of converting employee funding records into the new HR/Payroll system. Please review the "Budget Balance Summary" section on the Operating Statement (FIN049) of applicable accounts to determine if any salary and/or fringe benefit charges have been incurred, and if so, please review labor distribution (BI or in the HR/Payroll system) for details. A cost redistribution through SAP is the action needed to remove charges appearing on these accounts. The only new charges that could be incurred on the default accounts will be in instances where faculty have a portion of their funding impacted due to a project end dates on a sponsored research program (sub-fund "RC").