

Fiscal Year End Accounting Cut-off Procedures

May 24, 2017
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Agenda

- Why is proper Year End Cut-off important?
- What information is available?
- What are key considerations to remember?



Why is proper Year End Cut-off important?

- Required by GASB as GAAP for a clean audit opinion
- Ensures consistency in reporting from year to year
- Audit is relied upon by stakeholders to 'evaluate' MSU has an entity
- Accrual basis vs. Cash basis
 - Focuses on earned/incurred vs. received/disbursed



What information is available?

<http://ctrl.msu.edu/COFA/YearEndCutoffProcedures.aspx>

Welcome to the Michigan State University Year-End 2017 Cut-Off Procedures web site. Outlined in the following links are the University's accounting procedures for the end of fiscal year 2016-17. Please visit this web site frequently throughout the year end close process for the most up to date information. Please direct all questions to the Office of Financial Analysis and Reporting at 355-5029.

Note: documents on this page are in PDF format. In order to view a PDF you will need [Adobe Acrobat Reader](#)

Year End Cut-Off

- [Click for a complete download of the Year-End 2017 Cut-Off Procedures.](#)
- [Click for Calendar of the Year-End 2017 Cut-Off Dates.](#)

For a review of the individual Year-End 2017 Cut-Off Procedures sections:

- [Index: Year-End 2017 Cut-Off Significant Dates Summary](#)
- [Index: Year-End 2017 Cut-Off Significant Dates Summary Excel version](#)
- [What's New: Summary of New or Changed Year End Cutoff Procedures](#)
- [Section A: Finance System Close Dates and New Year Activation Dates](#)
- [Section B: Purchasing and Payments](#)
- [Section C: Cash Receipts and Departmental Receivables](#)
- [Section D: Intra-University Financial Documents](#)
- [Section E: Account Maintenance and Accounting String Elements.](#)
- [Section F: Human Resources and Payroll](#)
- [Section G: Capital Equipment/Assets](#)
- [Section H: Budget Reallocations and Organization of Interest \(OOI\)](#)
- [Section I: New Fiscal Year Information](#)

Key considerations – Close dates

- Fiscal Period 12 (June) closes 5pm on June 30, 2017, except for:
 - Accounts payable until 5pm, July 6, 2017
 - Bi-weekly payroll until 5pm, July 3, 2017
 - Credit card receipts until 5pm, July 5, 2017
 - SPB documents initiated in June, but not approved until July
- Final Period 12 Operating Statements will be available on July 7, 2017.
- If you initiate a transaction in June, but it does not get approved by June 30, 2017, it will post to the new year (2017-18) in July once approved.
- Fiscal Period 13 (June – 2nd close) is open to campus from July 1, 2017 through 5pm, July 13, 2017. Period 13 is open further for central process through July 24, 2017.



Message Of The Day
Accounting resources available at - <http://ctr.msu.edu/COAccounting/FinancialSystemTrans.aspx>

- Transactions**
- Financial Processing**
 - Advance Deposit
 - Auxiliary Voucher
 - Budget Adjustment
 - Cash Receipt
 - Credit Card Receipt
 - Disbursement Voucher
 - Distribution of Income and Expense
 - General Error Correction
 - Indirect Cost Adjustment
 - Internal Billing
 - Intra-Account Adjustment
 - Pre-Encumbrance
 - Transfer of Funds
 - Purchasing/Accounts Payable**
 - Contract Manager Assignment
 - Payment Request
 - Requisition
 - Vendor Credit Memo

Period 12/
Period 1 Entries

- Administrative Transactions**
- Capital Asset Builder**
 - Capital Asset Builder AP Transactions
 - Capital Asset Builder GI Transactions
 - Capital Asset Management**
 - Asset Manual Payment
 - Barcode Inventory Process
 - Financial Processing**
 - General Ledger Correction Process
 - Journal Voucher
 - Non-Check Disbursement
 - Service Billing
 - Service Provider Billing Upload
 - System**
 - Electronic Fund Transfer

- Lookup and Maintenance**
- Capital Asset Builder**
 - Pre-Asset Tagging
 - Capital Asset Management**
 - Asset
 - Asset Fabrication
 - Asset Global (Add)
 - Asset Location Global
 - Asset Payment
 - Asset Retirement Global
 - Asset Transfer Global
 - Chart of Accounts**
 - Account
 - Account Global
 - Account Delegate
 - Account Delegate Global
 - Account Delegate Model
 - Account Delegate Global From Model
 - Financial Reporting Code
 - Mission Code
 - Object Code
 - Object Code Global
 - Organization
 - Organization Review
 - Program/Initiative Code
 - Project Code
 - Project Code Import
 - Sub-Account
 - Sub-Account Import
 - Sub-Object Code
 - Sub-Object Code Global
 - Sub-Object Code Import
 - Use of Funds
 - Procurement Card (Pcard)**
 - Procurement Card Maintenance
 - Pcard Transactions
 - Spartan Marketplace**
 - Order Auto Limit
 - Vendor**
 - Vendor
 - Vendor Contracts

Period 13 Entries

- Year End Transactions**
- Capital Asset Management**
 - Year End Depreciation
 - Financial Processing**
 - Year End Budget Adjustment
 - Year End Distribution of Income and Expense
 - Year End General Error Correction
 - Year End Intra-Account Adjustment
 - Year End Transfer of Funds

- Custom Document Searches**
- Financial Transactions**
 - Capital Asset Management**
 - Asset Maintenance
 - Financial Processing**
 - Disbursement Vouchers
 - Purchasing/Accounts Payable**
 - Electronic Invoice Rejects
 - Payment Requests
 - Purchase Orders
 - Requisitions
 - Vendor Credit Memos
- Balance Inquiries**
- General Ledger**
 - Available Balances
 - Balances by Consolidation
 - Cash Balances
 - General Ledger Balance
 - General Ledger Entry
 - General Ledger Pending Entry
 - Open Encumbrances
 - Current Account Balances
- Reports**
- General Ledger**
 - Trial Balance

Key considerations – Purchasing and Accounts Payable

- Make sure all purchase order (PO) amendments are updated prior to June 30, 2017.
- To make a payment, an approved vendor must be in the system. Please make sure all vendors requiring payments in June are established in KFS.
- Take note of revised P-Card auto-approval timing for year end processing.
- Have you considered Accruals?
 - Any goods/services that you have received but not yet paid for?
 - Any funds you have disbursed for goods/services that will be used in the future?



Key consideration – Cash Receipts

- Credit card receipts for June 29 and June 30 will lag by 2 days and will be entered on July 3, 2017, but post back to fiscal period 12. Related, administrative fee charges associated with this revenue will post on July 5, 2017, but will post back to fiscal period 12 as well.
- Have you considered Accruals?
 - Any revenue that you have earned but not yet received?
 - Any funds you have received but that apply to goods/services to be provided in the future?



Key considerations – Intra-University financial documents (e.g. GEC, DI, SB, etc.)

- All Service Provider Billing (SPB) documents must be submitted by 5pm, June 30, 2017, and units will have 5 calendar days to approve. All SPB transactions will post to Period 12 regardless of when they are approved.
- If a transaction is initiated during Period 12, but is not approved in time for posting to Period 12, it will post to Period 1 of the new year once approved. If, for proper cut-off, the transaction should post to the old fiscal year, then the original transaction should be disapproved and a Period 13 transaction should be initiated and approved.



Key considerations – Account Maintenance

- To be used for FY 2016-17 activity (including Period 13), all accounts and sub-accounts must be final by 5pm, June 30, 2017. If an account or sub-account is created in July and a Period 13 transaction is posted to it, its balances will not roll forward properly.
- All sub-object codes must be final by 5pm, June 30, 2017. All pending requests not finalized by this deadline will be disapproved and the request will need to be re-submitted in the new fiscal year.



Key considerations – HR/Payroll

- Take note of due dates for personnel actions to be effective for final payrolls of the fiscal year.
- Similarly, please take note of due dates for salary redistributions to be effective for 2016-17.



Key considerations – Capital Equipment/Assets

- All invoices related to equipment received by June 30, 2017 should be sent to Accounts Payable for inclusion in the proper fiscal year.
- All capital equipment/asset maintenance, including retirements or transfers, should be completed by June 30, 2017. Capital equipment/asset activity must be frozen during July to finalize year end reporting and annual depreciation processing. Maintenance of assets can resume in August.



Summary

- Reference the Year End cut-off information in planning your June and July work.
- **DON'T DELAY!** Begin reviewing fiscal year-to-date activity and make adjusting entries now.
- Track your entries throughout the close process to ensure entries post to the proper fiscal year.



Thank you for attending!

Questions?

