

MEMORANDUM

Controller's Office

May 11, 2011

TO: Faculty and Staff Responsible for Financial Transactions

FROM: John O'Connor, Controller

RE: FISCAL YEAR 2011 YEAR-END CLOSE

May 31, 2011 is the end of the fiscal year, and we must ensure that all transactions applicable to the current fiscal year (FY 2011) are properly recorded before the University's books are closed.

It is essential that faculty members who are departing the campus in May get their travel advances cleared, salary redistributions processed on PARs (labor distribution), expenses reimbursed, and invoices processed for payment prior to the cutoff dates.

Your assistance in adhering to the deadlines below is greatly appreciated.

<u>First Close Thursday, June 2nd</u>	<u>Data must be received no later than</u>	
Office supplies purchased on P-Card (final)	5:00 p.m.	May 12
P-Card activity cutoff for inclusion in May activity	5:00 p.m.	May 12
AP invoices, payments request, travel report forms	5:00 p.m.	May 17
Cut-off to order from HiEd for May delivery	5:00 p.m.	May 18
Cut-off to order from OIT for May delivery	5:00 p.m.	May 18
April PAR's (personnel activity report)	5:00 p.m.	May 19
Purchase Orders and Change Orders cutoff (final)	5:00 p.m.	May 23
Central Stores cutoff and inventory	8:30 a.m.	May 25
Paper journal entries keyed by Central Admin	12:00 noon	May 31
Peoplesoft JE Templates uploaded by Central Admin	12:00 noon	May 31
Deposits	12:00 noon	May 31
April Balance Pool Processing	5:00 p.m.	June 1
Advancement Feed 1 st Close to GL	5:00 p.m.	June 1
Online journal entries and interfaces loaded	5:00 p.m.	June 1
Accounts Payable 1 st Close to GL	5:00 p.m.	June 1
Student Financial Services feed to GL (final)	5:00 p.m.	June 1

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Second Close Monday, June 13th

AP invoices, check requests, travel report forms (final)	5:00 p.m.	June 6
Paper journal entries keyed by Central Admin	12:00 noon	June 9
Peoplesoft JE Templates uploaded by Central Admin	12:00 noon	June 9
May PAR's (personnel activity report)	5:00 p.m.	June 9
May Balance Pool Processing	5:00 p.m.	June 9
Final Advancement Feed to GL	5:00 p.m.	June 10
Endowment Year-End spending adjustments	5:00 p.m.	June 10
On-line journal entries (final)	5:00 p.m.	June 10
Accounts Payable Final Post	5:00 p.m.	June 10

I. Open Purchase Orders

All blanket purchase orders, except for those encumbering grants and contracts, will be cancelled as of 5/31/2011. New blanket purchase orders for FY 2012 must be requested, if needed. The unused balance of all other purchase orders issued in FY 2011 will be carried forward to FY 2012. If purchase orders need to be closed, list the purchase order IDs in an email and send to your Financial Officer for approval. The Financial Officer should forward the approved list to Financial Systems psfinsupport@list.smu.edu for closure.

II. Travel Reports

Travel *completed* by 5/31/2011 must be reported on a properly completed Travel Report form and submitted by 5/17/2011 to be included in the first close reports, and by 6/6/2011 to be included in FY 2011. Travel that begins prior to and extends beyond 5/31/2011 will be charged to the 2012 fiscal year.

III. Other Transactions and Adjustments

Please review your accounting detail for any corrections that need to be made this fiscal year. Deposits, corrections and other transactions keyed by Central Administration should be submitted as soon as possible, preferably before the first close deadlines. Corrections to May 2011 transactions using paper forms should be submitted no later than 6/9/2011 at 12:00 noon for inclusion in the 2nd close. On-line journal entries should be submitted no later than 6/10/2011 at 5:00 p.m.

IV. Accounts Payable Transactions

The 1st close cut-off for A/P payment requests is May 17th. The final cut-off for the year (2nd close cut-off) for A/P payment requests is June 6th. It is the responsibility of the Financial Officer to accrue invoices that do not get included in the final cut-off. When these invoices are submitted to Accounts Payable for processing, indicate on the face of the Payments Request form that it was accrued in FY11 and will be reversed in FY12. June invoices should be held and presented to A/P for input after June 6th. If there are invoices needing emergency payments with a June accounting date, please give to Ramon Mabutias, Accounts Payable

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Manager, for special processing. Between 1st and 2nd close, keyed input will post to the general ledger nightly and be available for query the next morning.

V. P-Card Transactions

The May transaction file contains items posted by the bank on or before Thursday, May 19th. Since it takes 2-5 days from the purchase transaction date to post by the bank, we have picked May 12th as the "estimated" cutoff for purchases expected to be included in the May posting. Anything purchased after this date has the possibility of being included in the June JE interface and will go into FY12. You should review the May and June activity as part of the May closing and make the necessary accruals. Any single item charged and received between May 13th and May 31st greater than \$2,500 and not included in the May JE interface should be accrued by the Financial Officer as an FY11 expense. You are however encouraged to accrue all items.

VI. Online Journal Entries

During June, when inputting May entries, users should remember to override the system date in the opening dialog box with the date of 5/31/2011. For help with this function, please contact Caroline Hughey (chughey@smu.edu) at 8-2891.

VII. Balance Sheet Account Reconciliations

Year-end Balance Sheet Account (e.g. 1xxx and 2xxx series accounts) reconciliations are due by July 15th.

VIII. Bi-Weekly Payroll Accruals

The Controller's Office is responsible for accruing the Bi-weekly Payroll (non-exempt) for the pay period 05/21/11 – 05/31/11. The accrual for the last 7 days of May will be based upon the pay run ID 20110520 B. The Bi-weekly Payroll Accrual will post in 1st close and reverse automatically in the June close.

IX. Restricted Org Deficit Balances

Please ensure your Fund 20 Current Restricted orgs are funded during year-end close. Run U_XXX_FUND_20_DEFICIT_BALANCES (xxx = area) query to identify restricted orgs with remaining debit fund balances. This query has been adjusted to include Fund 12 Designated Fund orgs with deficit fund balances.

X. Revenue Recognition

Revenue is recognized when both of the following conditions are met:

- 1) Revenue is earned.
- 2) Revenue is realized or realizable.

Revenue is earned when products are delivered or services are provided. Revenue is realized when cash is received. Revenue is realizable when it is reasonable to expect that cash will be received in the future. All revenue applicable to FY11 should be accrued when both conditions are met. Debit a receivable and credit the appropriate revenue account. If the collectability of any receivable is doubtful or delayed, contact the Controller's Office to discuss write-off or setting up an allowance for doubtful accounts reserve.

XI. General Communications

Our primary form of communicating with the SMU financial community is by sending emails to the FSUSER listserv. Information regarding interim reports and last minute changes will be issued through this medium. To subscribe to the listserv, send an email to join-fsuser@list.smu.edu (you do not need to type anything in the subject or text message fields). The system will generate an email response to let you know that you successfully subscribed.