

BUS PLUS: Finance – Year End Processing

Year End Processing Table of Contents

OBJECTIVE:.....1

DESCRIPTION OF YEAR-END1

RECEIVING AGAINST PO FROM PRIOR FISCAL YEAR1

CHANGE A PO FROM PRIOR FISCAL YEAR2

ACCOUNTS PAYABLE.....3

ACCOUNTS RECEIVABLE.....6

THINGS TO CHECK DURING YEAR-END.....6

CLOSING THE YEAR - NEW YEAR BALANCE POSTED.....7

AUDITOR ACCESS.....7

OBJECTIVE:

For year-end close, address the processing requirements for Accounts Payable, Accounts Receivable, and rolling forward balance sheet accounts and amounts. The accounts used are the typical accounts, you may choose to use or create more specific accounts. *It is helpful to post closing and new year entries on specific days – old year 6/30, new year 7/2.*

DESCRIPTION OF YEAR-END

To follow Generally Accepted Accounting Principles (GAAP), school districts account for their operations by fiscal year which starts July 1 and ends June 30.

- Receipts are recorded as revenues in the fiscal year the revenues are “earned” or when the district has provided the goods or services to the customer.
- Payments are recorded as “expenditures” in the fiscal year the goods or services are planned to be used (not necessarily when items are received and paid for).
- There is a 60 day “clean-up” period to complete any needed corrections.

Old Year July 1, 20XX – June 30 20XY --- New Year July 1, 20XY – June 30, 20XZ

RECEIVING AGAINST PO FROM PRIOR FISCAL YEAR

The Date Received defaults to the current date on the Receiving screen (POUPRC). *If the goods were received on or prior to June 30th and are not received until July, be sure to change the Date Received field to the actual date received.*

PO Number: P1800561 Date Received: 06/30/2018 Carrier: []

Vendor: SOUTHFIELD PUBLIC SCHOOLS Freight: []

End Use: April Pavliscak Packing: []

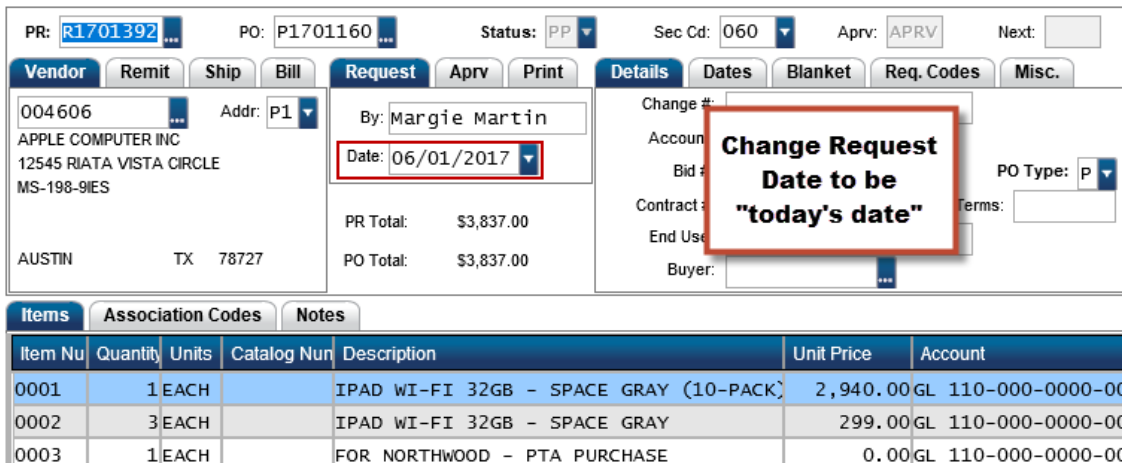
Ship To: 500

Items **Remarks**

PO Item	Description	Units	Qty Ordered	Received To Date	Qty Accepted
001	07	07	

CHANGE A PO FROM PRIOR FISCAL YEAR

To change a PO from a prior fiscal year, the **Request Date** on the Purchase Order must be updated to “today’s date” or a date in the current fiscal year so it will properly process.



PR: R1701392 PO: P1701160 Status: PP Sec Cd: 060 Aprv: APRV Next:

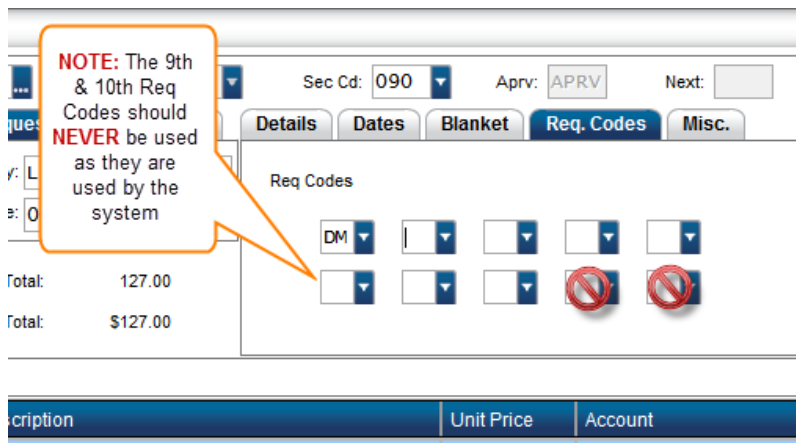
Vendor: 004606 APPLE COMPUTER INC 12545 RIATA VISTA CIRCLE MS-198-9IES Austin TX 78727

Request By: Margie Martin Date: 06/01/2017

PR Total: \$3,837.00 PO Total: \$3,837.00

Item Nu	Quantity	Units	Catalog Num	Description	Unit Price	Account
0001	1	EACH		IPAD WI-FI 32GB - SPACE GRAY (10-PACK)	2,940.00	GL 110-000-0000-00
0002	3	EACH		IPAD WI-FI 32GB - SPACE GRAY	299.00	GL 110-000-0000-00
0003	1	EACH		FOR NORTHWOOD - PTA PURCHASE	0.00	GL 110-000-0000-00

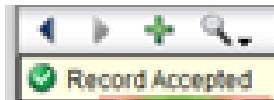
1. If the changed PO should **NOT** go to the vendor, click on the Req Code tab and select or enter “DM” (Do not mail). The PO will not be emailed to the vendor (if they have a PO email set up) and “Do not Mail” will display on the PO.



NOTE: The 9th & 10th Req Codes should NEVER be used as they are used by the system

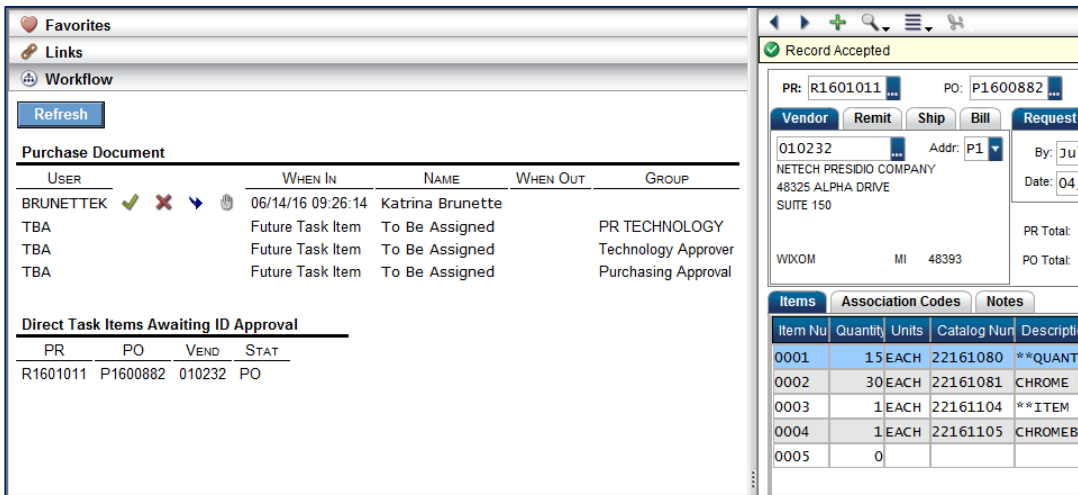
Req Codes: DM

2. The changes will be accepted when the **Enter** key is pressed and the **Record Accepted** message displays on the top left of your screen.



3. After changes have been completed, click on the **Workflow Tab** from the **POUPPR** screen. *If nothing appears*, click the **Refresh** button. In order to submit the modified PO into workflow, the person modifying the PO must first approve it. The modified PO will then route through the same

approval routing required for Purchase Requests (PR). Click on the **green check mark** and then click on **Submit** to release the modified PO into workflow.



The screenshot shows a software interface for managing Purchase Requests (PR) and Purchase Orders (PO). On the left, there is a 'Purchase Document' table with columns for USER, WHEN IN, NAME, WHEN OUT, and GROUP. Below it is a 'Direct Task Items Awaiting ID Approval' table with columns for PR, PO, VEND, and STAT. On the right, there is a 'Record Accepted' status bar, followed by PR and PO numbers, and a table for 'Items' with columns for Item Number, Quantity, Units, Catalog Number, and Description.

USER	WHEN IN	NAME	WHEN OUT	GROUP
BRUNETTEK	06/14/16 09:26:14	Katrina Brunette		
TBA	Future Task Item	To Be Assigned		PR TECHNOLOGY
TBA	Future Task Item	To Be Assigned		Technology Approver
TBA	Future Task Item	To Be Assigned		Purchasing Approval

PR	PO	VEND	STAT
R1601011	P1600882	010232	PO

Item Nu	Quantity	Units	Catalog Num	Description
0001	15	EACH	22161080	**QUANT
0002	30	EACH	22161081	CHROME M
0003	1	EACH	22161104	**ITEM
0004	1	EACH	22161105	CHROME B
0005	0			

4. Upon final approval by the Purchasing Department, the modified PO will:
 - a. Update the Encumbrance and General Ledger database
 - b. Add or increase the Change Order Number (field located on Details tab on PR)
 - c. Create a PDF of the revised PO (see modified PO below)
 - d. Send an email along with the modified PO and any External Attachments to:
 - i. Creator of Purchase Request
 - ii. Purchasing Department
 - iii. Vendor, but ONLY if a PO email type has been set up for the vendor and the DM (Do not Mail) Req Code was not entered on PO
 - e. Attach a copy of the PO to the Attachments Tab of the PO on the POUPPP screen**

NOTE: The above steps can take several minutes to complete

ACCOUNTS PAYABLE

There are two situations that need special attention for payments at fiscal year-end:

1. **Prepaid Expenditure – you purchase something at the end of the old year that will be used in the new year.**
 - Old Year: Debit or charge the “Prepaid” Object 11920000
 - New Year: Process a journal entry that will Debit the proper expenditure account and Credit or clear the “Prepaid” object 11920000
2. **Accruals - invoices to be paid in the current fiscal year using prior year budgets**
 - Item is purchased in the **prior year**, but the invoice arrives between **7/1 and 8/30**.
 - Invoice received **after** June 30 for an item or service that was received **before** June 30

- Invoices will need to be posted to the prior year (using prior year budgets), although the check will be cut in the current year.

Invoice Process (For invoices received between 07/01 and 08/30 for items purchased in prior year)

A. Invoice Entry – based on Dates

- If the invoice date is less than or equal to (\leq) 06/30/YYYY, then enter the **actual Invoice Date** and **update the Due Date** to: **06/30/YYYY (Very Important)**

- If the invoice date is greater than or equal to (\geq) 07/01/YYYY, then enter the Invoice Date as: 06/30/YY (Note: the “**Due Date**” will default to match the Invoice Date = 06/30/YYYY)

B. Proof (**APOHINBP**) – When running the proof, enter **06/30/20YY** in the Due Dates field (#50) in the AP Selection Criteria which is located under Options. Review the report and verify that only invoices for the previous fiscal year are included

C. Post Invoices (**APOHINVP**) with the following **IMPORTANT** settings:

Posting Date: 06/30/YYYY and

Due Date: 06/30/YYYY (Open the “Options” and the “AP Selection Criteria” **Item 50 – Due Dates** and enter 06/30/YYYY)

Note: *This will post the items to the proper year and check the proper year budget.*

? Would you like the Short Format of the AP Set Proof	<input type="checkbox"/> (No)
? Posting Date	06/30/2016
? Line Printer Copies, Name, Pri.	01 ARCHIVE 08
? Would you like to print Exceptions Only?	<input type="checkbox"/> (No)
<input type="checkbox"/> ? Options	
? Summarize GL entries by Set ID?	<input type="checkbox"/> (No)
? How would you like the Set sorted?	NM Vendor Name within Set ID
? Process USE Tax for this Set? (Y/N)	<input type="checkbox"/> (No)
? Restrict by current user ID? (Y/N)	<input checked="" type="checkbox"/> (Yes)
<input type="checkbox"/> ? AP Selection Criteria	
? 01 - Vendor ID	
? 03 - Quantity	
? 04 - Product ID	
? 05 - Unit Price	
? 06 - Dist Amount	
? 07 - PO Number	
? 09 - Org Key Codes	
? 48 - Invoice Amounts	
? 49 - Invoice Dates	
? 50 - Due Dates	06/30/2016
? 51 - Invoice Received Dates	

IMPORTANT! Post and process the “**prior FY**” invoices **before** posting the “**current FY**” invoices with each posting run. Additionally, be sure to Post the “current” FY minimally within **FIVE MINUTES** the “prior” FY, to alleviate the possibility of cross-over data.

D. Complete Check Processing

- **Date checks** with *current* Check Date
- Pooled cash and accounts payable will be offset properly between the years.
- Any items for receipts or payments that are missed or in error should be corrected with a journal entry to the proper fiscal year.

ACCOUNTS RECEIVABLE

There are two situations that need special attention for receipts at fiscal year-end. Both of these will require correcting journal entries.

1. **Accrual** - You “earned” funds that are not received until after June 30.
 - a. For receipts through August 30
 - i. Old Year: Debit Accounts Receivable Object 11210000 (or From Other Governmental Units Object 11410000) and Credit the proper Revenue Account
 - ii. New Year: Debit Cash and Credit the Accounts Receivable Object used above
 - b. For receipts after September 1 when you have already recorded the revenue in the old year against accounts receivable.
 - i. Old Year: Create Journal Entry for 6/30/XX to Debit the revenue account and Credit “Unavailable Revenue” object 24720000.
 - ii. New Year: Create Journal Entry to Debit Unavailable Revenue and Credit the proper revenue account.
 - iii. In this situation, the accounts receivable and cash accounts would not need to be touched.
2. **Deferred Revenue** - You received funds before June 30 that you have not “earned” yet – like summer school tuition.
 - a. Old year: Debit Cash and Credit “Deferred Revenue” Object 24710000
 - b. New year: Create a journal entry to Debit “Deferred Revenue” Object 24710000 and Credit the proper revenue account.

THINGS TO CHECK DURING YEAR-END

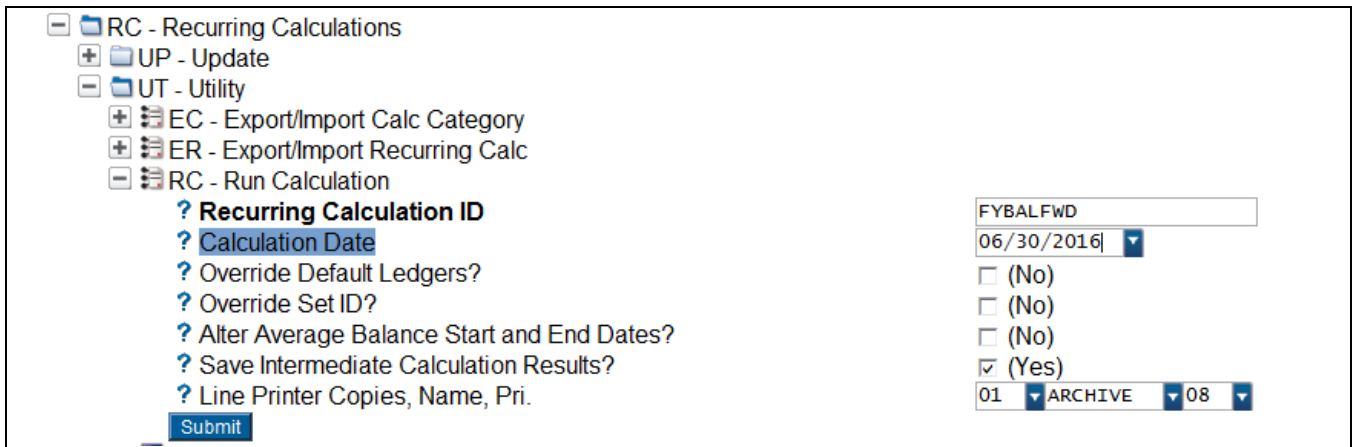
- Funds (debits and credits should match and net to zero for each fund)
- Share of Pooled Fund (should only be assets and should net to zero for the fund; money into the pooled cash fund allocated out to which ever fund it belongs to)
 - Share of Pooled Cash Object (should net to zero across all fund; monies have been correctly allocated to the fund they belong to)
- Bank Statements should be reconciled to the GL
- Subsystem (AP and AR) should be reconciled to the GL
- Reconcile payroll liabilities in the GL (if they are not zero at year end; then why? and are correcting entries needed?)
- Fixed assets
 - New assets added
 - Sold/Retired assets removed
 - Remaining assets depreciated and depreciation posted
- Long Term Debt Accounts adjusted as appropriate for payments, adjustments, and new debt
- Reconciliations and entries processed for
 - Deferred Revenue
 - Pre-Paid Expenditures
 - Accruals
 - Reversals

CLOSING THE YEAR - NEW YEAR BALANCE POSTED

When you are ready to close the year, this journal entry for closing can be calculated and run as many times as needed. But you should only allow the last and accurate journal entry to be posted.

The settings for RCUPRC should match those used in the FID report processor RRMIFNFN.

The fund balance calculation is created by running Recurring Calculations, Utility, Run Calculation **RCUTRC**



Run **RCUTRC** for **6/30/XXXX** of the year closing, you can override the set ID by clicking the box and adding an ID.

Once you see the job is completed go to create/update JE set, and find the JE that was created.

- Verify the entry is balanced and accurate
- Open options, Transaction Type BF “Balance Forward”
- Post the created entry to **07/01/XXXX** to create beginning balances for the new year, this will be your beginning balance forward posting.
- *If changes are made to the old year that affect the ledger accounts,*
 - delete the entry,
 - Re-run the process, and
 - Re-post the updated numbers.

AUDITOR ACCESS

NOTE: In Business Plus a “**READ ONLY**” or “**AUDITOR**” role is created for your auditor to see all transactions, as needed, without making any system or transaction changes. You can submit a Help Desk ticket to request the sign-on and password as well as designate which e-mail you would want associated with this role.