

Statewide Fund Accounting
Phone: (907)450-8063
Fax: (907)450-8071

209B Butrovich Building
910 Yukon Drive
PO Box 756540
Fairbanks, AK 997756540

May 17, 2023

To: Luke Fulp, Julie Queen, Michael Ciri, Ryan Buchholdt

From: Wei Guo Financial Accounting Director

Re: Year-End Finance Closing Instructions

Please find FY23 year-end finance closing instructions at Statewide Fund Accounting's website <https://www.alaska.edu/fund-accounting/>. The payroll close memo will be published by HR separately.

Please note the following items:

- x Finance closes on Friday, July 14 for FY23. Incur expense report is approved by the campus travel auditor by July 14, 2023. Ensure that travel which took place in FY23 and posted to FY24 be approved through the campus travel auditor by July 14, 2023. Activity when the first day of travel is prior to July 1, 2023 of the travel is after June 30, 2023 will be posted to FY24.

Fiscal Year-end Financial Closing Instructions

Contents

	Page
I. Introduction & Contact Information.....	1
II. List of Significant Dates.....	2
III. Transmittal Forms.....	4
IV. A. System Schedule.....	6
B. Important Items.....	6
V. Auditors' Schedule.....	6
VI. Management Report Responses	
A. Subsequent to April 2023.....	7
VII. All Funds	
A. Reconciliations.....	7
B. Payroll.....	9
C. Journal Voucher Entry.....	10
D. Accounts Payable.....	10
E. Fixed Asset Equipment.....	10
F. Capital Improvement Expenditures & Capitalized Costs.....	10
VIII. Unrestricted Funds	
A. Cash.....	12
B. Receivables.....	13
C. Prepaid Travel.....	14
D. Inventory.....	14
E. Accounts Payable.....	16
F. Encumbrances.....	16
G. Establishment of Unrestricted Budget.....	19
H. Auxiliary Funds.....	19
IX. Restricted Funds	
A. Receivables.....	19
B. Analysis of Debit Fund Balances.....	20
C. Budget Roll.....	21
D. Closing Restricted Funds.....	21
X. Student Loan Funds	
A. Cash Accounts.....	22
B. Receivables.....	22
C. Allowance for Uncollectible Loans.....	23
Appendices	
A. Operating in the Previous Fiscal Year.....	24
B. Student Loan Reconciliation Format.....	26

II.	<i>List of Significant Dates</i>	<i>Page No</i>
------------	---	-----------------------

The Payroll/HR close memo is attached as appendix C. Please check the Fund Accounting website or the Payroll/HR website for the most recent copy

<i>II.</i>	<i>List of Significant Dates</i>	<i>Page No</i>
Aug 5	Following items due in Statewide earlier submission is appreciated	

III. B. Year-end Transmittal Form

Please submit to Internal Audit: uaia-dept@alaska.edu

_____ Inventory Instructions

Page

14-16

Date submitted _____ Submitted by _____

Campus _____ Phone # _____

IV. A. System Schedule

The Banner Finance application is real time and does not require the system to be totally shut down to do processing.

The system's scheduled primary availability is from 7:30AM to 8:00PM, Monday through Friday. During these hours, there is end user and technical support.

The secondary availability is on Saturdays from 7:30M to 4:00PM. This means if the system is up, the end users can use it, but there is no support staff if problems occur. Maintenance, upgrades, long processing jobs, etc. are also done on Saturdays with p notice to users.

The system is NOT available on Sunday.

B. **IMPORTANT ITEMS FOR June 30**

All cashier sessions must be closed and finalized on June 30^{PM 5} to ensure posting to FY23

Accounts Payable cut off is July 14. Activity after that date is FY24 activity.

Units are not to do journal entries or any other types of transactions against FY23 after July 14. The system does prevent JV's from being processed. Journals will be run to catch other items. Those items will be deleted or reversed for activity posted after that date.

It is the campuses' responsibility to run, print and distribute reports and information timely to meet the audit schedule.

For yearend closing purpose, the month of June runs from June 1 to July 14. Proposed JVs should be forwarded to Statewide Fund Accounting for approval only if material.

V. Auditors' Schedule

CliftonLarsonAllen, the university's external auditors, will be performing the FY23 audit of the university. The university's internal auditors will be assisting CliftonLarsonAllen in the areas of cash disbursement, payroll, journal entries, year cutoffs, cash, plant funds, tuition and fees. Your cooperation with all audit requests is appreciated.

Interim audit fieldwork by CliftonLarsonAllen is scheduled from June 6 to June 10. Interim field work will be handled remotely

All communication with the external auditors will be coordinated through Wei Guo, Statewide Fund Accounting. If certain dates identified above create an untenable situation for your staff, please contact Wei Guo so the best schedule can be arranged.

VI. Management Report Responses

Due in Statewide Fund Accounting by August 5.

Four groups of required schedules are described below. These schedules assist in the preparation of the revenue and expenditure portion of the financial statements.

The total of each revenue/expenditure accountcode should agree to either the campus or unit total on the Banner Finance "M" series reports (FGR, MRP

<u>Org No</u>	<u>Reference</u>	<u>Amount</u>	<u>Description</u>	<u>Correction Required</u>
---------------	------------------	---------------	--------------------	--------------------------------

Schedule 4

- a. Fund 19XXXX, account codes 91XX, 96XX and 98XX
- b. Fund 10XXXX, account codes 97XX
- c. Fund 2XXXXX, account codes 97XX and 99XX
- d. Fund 4XXXXX, account codes 91XX, 96XX and 97XX
- e. Fund 5XXXXX, account codes 91XX and 99XX

There should be no entries in these account codes. This schedule (if necessary
 5 Td [(T)1 5 -1.15 -1 (s)- .oMTT0 1 Tf 4 (o5 -1./S)60.0/.05 0 Td [()-2500 (A)s/ 3.uln

Journal Vouchers with supporting documents must be sent to Statewide Fund Accounting for approval and process.

D. Accounts Payable

Due for payment in regional offices by July 14, original billings should be submitted through regular procedures.

Billings for services performed on or before June 30 must be approved for payment and processed through regular channels by July 14 to be recorded in FY23. It may be necessary to make advance arrangements with the vendor to ensure timely billings. It is preferred that the billings be through June 30, although it is possible to prorate bills that straddle both fiscal years.

In the situation where no billing has been received from the vendor for the cost of goods and/or services provided prior to June 30 is estimated to be greater than \$200,000, an estimated accounts payable should be forwarded to Statewide Fund Accounting. Such estimates shall be summarized as shown below:

1. Name of Vendor
2. Org, Acct, Fund
3. PO#
4. Estimated Payable

Documentation for Unrecorded Liabilities:

Payments issued from July 1 through August 31 for \$200,000 and greater, from funds 1, 2, 3 and 5, will require backup documentation, showing dates of service, to be sent to Statewide Fund Accounting every Monday for payments made in the preceding week.

and construction offices. Response schedules are due in Statewide Fund Accounting August 2.

Instructions for Fund 5xxxxx, Unrestricted and Restricted Funds Schedules

For the following fund groups, 5xxxxx, unrestricted and restricted, identify major upgrades of buildings or grounds. The schedule should be organized by capital project. For each capital project, the following information should be listed:

- x Fund-org-program code
- x Percent complete at June 30
- x Building reference, if applicable
- x Short description about nature of work, e.g. renovate classroom or replace water line
- x If project is funded from more than one fund or org, report expenses at level
- x Group expenses by major account code class, e.g. Salaries, Contractual services.....Other.
- x Indicate whether this project should be capitalized or expended with explanations.

Major upgrade of buildings or grounds are total planned expenditures in excess of \$100,000 regardless of year in which paid, where the expenditure is for new construction or for renovation which extends the useful life of the structure fifteen or more years.

2. Componentized Schedules

On June 12, Statewide Fund Accounting will forward schedules for buildings being componentized to UAFJAA and UAS design and construction offices. Response schedules are due in Statewide Fund Accounting July 7.

For detailed instruction on componentization of assets, please refer to Accounting and Administration Manual found on the Controller's website or follow this link: <http://www.alaska.edu/controller/admin-manual/acctandfinance/A27.pdf>

VIII. Unrestricted Funds

All June 30 reconciliations for unrestricted funds are due in Statewide Fund Accounting on August 5. Detailed instructions follow for reconciling balance sheet accounts. For direction in reconciling the remaining balance sheet accounts, please refer to procedure G-03 of the Accounting and Administrative Manual found on the Controller's webpage or follow this link: <http://www.alaska.edu/controller/acct-admin-manual/acct-and-finance/G-03.pdf>

A. Cash

1. Depositories

- Cash on hand which is not recorded through the cash receipts system as of June 30 will need to be recorded FY23 activity. Amounts in excess of \$10,000 must be recorded by journal voucher to FY23 to July 14 with a

dr	Cash 0140XDEP	x,xxx.xx
cr	Revenue XXXXX9XXX- XXXXXX	x,xxx.xx
OR		
cr	Receivable 064-XXXXXX	x,xxx.xx
OR		
cr	Deposits or other payables 06XXX XXX	x,xxx.xx

Prepare a reversing cycle 01 entry (credits and debits are reversed) and key entries on the same day

- Campuses where cash is received and deposits are sent directly to the bank by departments other than the business office will need to coordinate the recording of such department collections. The department will need to forward the deposit slips to the campus business office no later than the day after the deposit. All cashier sessions must be closed and finalized on June 30 by 6 PM
- If month end is not your usual bank statement date please email ua-fund@alaska.edu so special arrangements can be made for a bank statement with a June 30th cut-off.
- a. Reconciliations
 - Send June reconciliations of depository accounts to ua-fund@alaska.edu by **August 5**.
 - Reconciliation of depository accounts to the FGRGLTA report must be in the format prescribed in the Statewide Accounting Manual procedure G-02. <http://www.alaska.edu/controller/acct-admin-manual/acct-and-finance/G-02.pdf>
 - Depository reconciliations should not have any deposits bank that are unrecorded in the university accounting system at fiscal year end. Refer to VII. All Funds, A. Reconciliations, 1. Depository on page 7 of year end instructions for further guidance.
 - All reconciling items must clearly show the specific dates and accounts as they appear on either FGRGLTA or the bank statement.

account and prepare an adjustment if the variable is in excess of \$2,000. If you do have to adjust the account, it is preferred that you make the entries so that the allowance for doubtful accounts is rounded to the nearest thousand. Additional guidance may be obtained from Statewide Fund Accounting. This adjustment is to be entered in FY23 July 14.

C. Travel

Travel processed in Concur is not encumbered. Travel expenses post in Banner after the Concur expense report is approved by the campus travel auditor (Concur processor role). To ensure that travel which took place in FY23 is posted to FY23, the Concur expense report must be approved through the campus travel auditor by July 14, 2023. Travel is considered FY23 activity when the first day of travel is prior to July 1, 2023. Expense reports where the first day of the travel is after June 30, 2023, will be posted to FY24. All expense reports approved by the campus travel auditor after July 14, 2023 will post against FY24.

D. Inventory

Inventory includes items held for resale such as books, calculators, supplies and consumable items held for department use such as office supplies. Examples are: Geophysical Institute electronic shop, IMS glassware, utilities supplies and warehouse inventories. Inventory as described here does not include property inventory (equipment, etc.).

This section includes inventory instructions for auxiliaries, service centers, and departmental supplies and consumables. Also included are instructions for auxiliary accounts other than inventory. Inventories are to be conducted for all bookstores conducted for all centers with consumable or resale inventories that are to be recorded as assets. Inventories in excess of \$50,000 must be recorded as assets.

1. All inventory items held for resale should be counted as of the close of business, June 30. If the physical count is prior to June 30, provision must be made to account for changes in the inventory from the date the inventory is taken until June 30. By May 19, notify Statewide Auditing and Consulting Services (see page

Identification of the costing method should include a brief summary of what the source of cost information is, i.e. how percentages are calculated for retail method, source of costs, determination of freight costs, etc.

4. All inventory sheets should be numbered and clearly identify the unit and date of inventory. The heading must also identify the specific location, individuals counting those items and date of their count. Columns should be established for description of the counted item, counted quantity, unit cost and extended total cost.
5. Separate listings should be maintained for saleable books and other retail items. This will include books and other items which probably will not be sold during the 2023-2024 academic year and which cannot be returned for credit. This listing should include information similar to that on the inventory sheets. These items will also be a part of the inventory sheets referenced in item
6. After inventory is completed and costed the inventory reconciliation is to be completed. A sample format follows:

Unit & Operation Inventory Reconciliation <u>June 30, 2023</u>	
Total cost per inventory detail listing	\$
Less unsaleable items counted in the above (per worksheet)	
Other adjustments (explain in detail)	_____
Adjusted physical inventory	\$ _____
Balance in FGRGLTA, 04XXXXXX, at June close	\$
Inventory adjustment, JV # _____ (attach copy of JV)	_____
Adjusted balance (must equal adjusted	

Accounts payable are unpaid obligations at June 30 for goods received and/or services performed on or prior to June 30, including all utilities (phones and fuel) even though the statement or invoice for such services may be dated July 1, or subsequent. Summarize payables relating to all funds for inclusion in the year-end closing. Review the Open Payable Report as of the close of July (14) and provide to Statewide Fund Accounting a reconciliation of the payables. If payables are correct as listed on the Open Payable Report, submit a statement saying the review has been completed and the report is correct. This is due in Statewide Fund Accounting by August 5.

See Appendix A for information on canceled checks.

Adjustments can be made to encumbrances and accounts payable for all funds from July 1 through July 14 for FY23

After July 14, do not use June 30 as a transaction date.

F. Encumbrances

1. Overview:

The state permits the university carry-forward funding to the next fiscal year to cover the cost of its encumbrances (outstanding commitments). An encumbrance is defined as the legal commitment of funds for the purchase of goods and/or

Amounts owed by one segment of the university to another or one fund group (restricted or unrestricted, etc.) to another fund group are not legitimate payables nor encumbrances and should not be on the Open Encumbrance report. See Statewide Accounting Manual procedure A-17: <https://www.alaska.edu/controller/acct-admin-manual/acct-and-finance/A-17.pdf>. If you need additional guidance email ua-fund@alaska.edu

3. Encumbrance Roll

The encumbrance roll process will occur on July 15 to allow the best possible closure of both the purchasing and accounts payable areas.

Before the process starts, all **FY23 requisitions** that were not converted to purchase orders will be deleted, regardless of which funds are being used. These requisitions will have to be manually entered by the departments if they need to have purchase orders created. All incomplete documents must be removed from the system.

All encumbrances (manual and purchase orders) will be rolled into this new year. Encumbrances against unrestricted funds will be rolled with a commit flag of "C" and are subject to lapse. All other funds will be rolled with a commit flag of 'U' and are not subject to lapse.

4. Year-end Reporting

- a. Review the Year-end Encumbrance report as of July 14 to determine its accuracy prior to submission to Statewide Fund Accounting. All outstanding encumbrances will be on this listing. Should there be major errors, report these promptly to the Financial Systems Office.
- b. Email to ua-fund@alaska.edu the Year-end Encumbrance report. This report is to be marked with the codes listed below by August 5.

Prepare the Year-end Encumbrance report as follows. Add a column to the right of the report. This column 'Reason of Carry-forward' is to justify why those orders can be funded from the FY23 appropriation. This column must be done manually on the Year-end Encumbrance report. The following notations must be applied. Notations from the following codes delay our processes and will be returned to the sender.

'A' Gof

- 'D' Invoice from vendor not received in a timely manner. Goods have been received prior to June 30. (These items should be recorded as accounts payable items and removed from this list; however, they may appear on this list provided they do not appear on both lists.)
- 'E' IFB authorized and received by procurement by June 1, issued in July.
- 'F' RFP authorized and released by June 6, issued in July.
- 'X' Requires correction per attached explanation. Any X coding explanation must be presented in sufficient detail with copies of supporting documentation. Each unit should make the corrections the current (FY23) year

A certain number of "X" items are unavoidable, but a thorough review and cleanup as described in step 2a should eliminate many X items.

5. Ensure that all accounts payable and encumbered items (obligations) are reported.

All obligations at June 30 must appear on either the accounts payable listing or the open encumbrance listing. No item should be on both listings.

G. Establishment of Unrestricted Budget

Temporary budget for FY20~~20~~ was entered in May and will be available until June 30. Units should have prepared and input continuation budget

3. Credit memos are not recorded by journal voucher. Credit memos relating to goods received by June 30 should be recorded into accounts payable form (FAAINVE) using a transaction date of June 30. Any date can be used for the credit memo invoice.
4. Deferred Revenue housing system receipts collected in advance for July 1520 or later should be recorded as deferred revenue as of June 30, 2023. Complete a listing of the amounts received prior to June 30 for future periods. The listing should include the payer's name, unit rented, months paid in advance and amount received. The total deferred rent should be recorded to account 0968XX.

IX. Restricted Funds

A. Receivables

1. Aged listing of manually booked receivables is due in Statewide Fund Accounting on August 5. 6lft(F)p (6le f EMC /P <<5c)-1 (or)- (a)-

- (1) Use the Junbalances (negative balances) as of July 14, or an earlier date when you know all restricted fund entries have been posted.
- (2) Amount billed as of June 30, does not include billings prepared after June 30. Add comments for any amounts over 90 days old.
- (3) These are costs that are unbilled at June 30, but are billable ~~b~~~~o~~~~d~~~~e~~~~r~~~~r~~~~n~~~~s~~ of the contract. Add comments as to when costs will be billed. Note: Costs billed during July should be recorded as FY20 activity. These items will be considered as unbilled as of June 30 and should be included in this column.
- (4) Costs that ~~are~~ un-billable generally come from either overexpenditures or disallowed expenditures. Add comments if there is a balance in this column. Indicate if provision for this uncollectible amount is already included in Funds 1, 2 or 3.

The sum of columns 2, 3, & 4 must equal column 1.

2. Journal vouchers to record receivables for each fund with a negative fund balance should be input by July 14. Prepare the entry using the analysis performed in step B 1.

DEBIT: 02642XXXXX, miscellaneous accounts receivable for the amount in the billedcolumn of your worksheet.

DEBIT: 03032]o (t)-2 2 (he)(462(X)3(t)2-2 (X)23(Use)(0)5 (l)-25 (d)at-1(c)h)2 (a)190

The budget rol

- 31 - 60 days past due
- 61 - 90 days past due
- 91 - 120 days past due
- Over 120 days past due

If the receivables report does not agree, a reconciliation to the FGRGLTA as described in item 3 below is required.

3. Reconciliation of detail to FGRGLTA

Prepare a reconciliation showing items which appear on the detail list but do not appear on PreponPr3. ID 6 >> BDC3. ID </MCI Td -17.5ie appear Tw 0.24-0.01 Twson in the (d)1 (et)4.1 acillci t S(i)3ample floor 4 p senod

aation of reconcili32 (ngea)-1 (ppe)-1 -1ar Twhu(l)-2 d b1 -1a deta41 (i)-2 (l)-2 ded. .

If an FY23 check is to be **canceled and not reissued** go to the cancel check form (FAACHKS) for processing. Enter cancel date as June 30, cancel check as Y and reestablish payable as N. This can be done until July 14.

If an FY23 check is to be **canceled and a reissue will be done** go to the cancel check form (FAACHKS) for processing. Enter cancel date as June 30, cancel check as Y and reestablish payable as Y. This can be done until July 14.

Encumbrance Roll

Closing of purchase orders and manual encumbrances ~~FY23~~ should be done in the

APPENDIX B

STUDENT LOAN RECEIVABLES RECONCILIATION FORMAT

STUDENT LOAN RECEIVABLES
RECONCILIATION
June 30, 2023

