

**Faculty of Arts and Sciences
FY2009 Year-End Procedures**

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I. Year End Close Overview

The following is an overview of the year end closing schedule. A more detailed calendar is provided in Section III of this document.

• First Close	Thursday, July 2, 11:00 a.m.
Upload Journals	Wednesday, July 1, 12:00 p.m.
• Second Close	Friday, July 10, 11:00 a.m.
Upload Journals	Wednesday, July 8, 5:00 p.m.
• Third Close	Friday, July 17, 11:00 a.m.
Upload Journals	Wednesday, July 15, 5:00 p.m.
A/P Accrual Deadline	Thursday, July 16, 10:00 a.m.
• Fourth Close (Tubs only)	Tuesday, July 21, 12:00 p.m.
<i>Fourth close journals require prior approval by FAS Finance Office</i>	

II. Year End Key Dates

A. Accounts Payable

The Accounts Payable system will be open until 5:00 p.m., Friday, July 10 to process invoices of any dollar amount for FY09. Invoices submitted between July 1st and July 10th must clearly indicate the appropriate fiscal year. Stickers will be available from the FAS Office of Finance and Central A/P at 1033 Mass Ave. Special handling requests, using a non-standard check processing form, must be received by A/P no later than 12:00 p.m. Monday, June 29 to be included in FY09.

Invoices can be submitted to either: 1033 Massachusetts Avenue, 2nd Floor or the A/P drop box at Holyoke Center 744.

B. Travel & Reimbursements

All travel completed as of June 30th should be recorded as an FY09 expense. Travel expense reimbursements must be submitted by **5:00 p.m. on Thursday, July 2, 2009** to be included in FY09. Travel reimbursements processed during this timeframe will be posted in the data warehouse and departments can see the charges on their financial reports by Tuesday, July 14, 2009.

Expense reports can be submitted to either: 1033 Massachusetts Avenue, 2nd Floor or the Travel & Reimbursement Office drop box at Holyoke Center 744.

C. Absence Management

Paid time off taken through June 30th must be entered and approved in Peoplesoft Absence Management by 5:00 p.m. Friday, June 26. The June 30th balances will be used by Central Administration to calculate the year-end vacation liability for the FAS. This will also impact

department financial results as the department will receive a credit for the salary and fringe associated with vacation time taken.

D. Gift Deposits

New gifts for which a gift fund must be established must be received by the FAS Finance Office no later than 5:00 p.m. on Monday, June 29th. Gift deposits to existing funds must be received by the RSO no later than 10:00 a.m. Monday, July 13th.

E. Internal Billing and Adjusting Journal Vouchers

Manual journal voucher internal billing entries must be entered into the Oracle general ledger system by the second close deadline, Friday, July 10 at 11:00 am. Internal billing journal vouchers to be uploaded by the FAS Office of Finance must be received at finjnl@fas.harvard.edu by Wednesday, July 8 at 5:00 pm.

Internal billing journal vouchers will be processed during the third close by the FAS Office of Finance and only with express permission of the department being charged.

Manual journal voucher adjusting entries must be entered into the Oracle general ledger system by Friday, July 17 at 11:00 am for FY2009. Adjusting journal vouchers uploaded by the FAS Office of Finance using the FAS journal voucher template must be received at finjnl@fas.harvard.edu by Wednesday, July 15 at 5:00 pm to be processed for FY2009.

F. Disposition of Year End Balances

Departments are responsible for monitoring balances in the various unrestricted and restricted funds throughout the year. Deficit balances must be corrected by third close deadline of Friday, July 17 at 11:00 am using a manual journal in the Oracle general ledger system. Exceptions should be discussed with the Financial Analyst for your department in advance of year end close.

Income should never be moved into or out of restricted funds. To clear deficits in a restricted fund, expenses will need to be moved from the deficit fund to an appropriate fund with an adequate balance.

As described in the recent guidance on Funds, Fund balances, and Subventions, the carry forward of fund balances from subvention or dean's discretionary funds is normally not permitted. The saving of any part of a subvention requires written approval from the FAS Dean.

III. Accrual Process

In order to recognize revenue and expenses in the proper year, it may be necessary to record accrual entries for accounts payable, accounts receivable, prepaid expenses, or deferred revenue. This requirement complies with Generally Accepted Accounting Principles (GAAP) and ensures the accuracy and completeness of University and FAS financial statements. The FY2009 threshold for mandatory accrual entries is \$5,000. Departments may process accrual entries below the \$5,000 threshold where it is material to the unit.

A. Accounts Payable

The University requires all departments to accrue accounts payable invoices for goods or services received by June 30 but not yet paid.

- To the extent that invoices \$5,000 or greater for FY2009 expenses do not get submitted for processing by the above deadlines, departments will record them as A/P accruals at the 33-digit level. The accrual is processed in the third close.
- As in past years, Central General Accounting will provide each tub with a report of invoices that should potentially be accrued. The FAS Office of Finance will distribute this report to the departments within tubs 370 and 385 for review. Departments and tubs will also be asked to provide a list of additional expenses not on this list that must be accrued.

Please note that the timeframe for this process is extremely tight and normally there is less than a 24 hour turnaround for your review. The report will be distributed to departments by **12:00 p.m. on Wednesday, July 15**. The deadline for return to Michael Jackson (mjackson@fas.harvard.edu) is **10:00 a.m. on Thursday, July 16**. Please plan accordingly.

B. Payroll

Central General Accounting will be responsible for posting year end payroll accruals. The FY09 year end accruals relate to several distinct payroll cycles as noted below:

- The bi-weekly paycheck paid to employees on Thursday, July 2 is for work performed from June 14 through June 27. The weekly paycheck paid to employees on Thursday, July 2 is for work performed from June 21 through June 27. Both of these payrolls will be posted to the general ledger with a June 30, 2009 effective date in the first close.
- The bi-weekly paycheck paid to employees on Friday, July 17 includes two days of work performed in FY2009 - June 29 and 30. Likewise, the weekly paycheck paid to employees on Friday, July 10 includes work performed on June 29 and 30. Accrual entries will be posted during the second close equal to two-tenths of the bi-weekly payroll and two-fifths of the weekly payroll. These entries will be automatically reversed in July, FY10.

C. Staff Early Retirement

For individuals who have elected to participate in the early retirement program, the costs of unfunded historical vacation liability and longer-service vacation days must be accounted for in FY2009. All necessary accrual entries will be coordinated between the FAS Office of Finance and the FAS Office of Human Resources and processed centrally.

D. Staff Reductions Costs

In cases where staff notification occurs on or before June 30, 2009, the following costs must be accounted for in FY2009: unfunded historical vacation liability, longer service vacation days, an estimate of work security (HUCTW only), and severance costs. Salary expenses during the

notification period should be recognized during the period worked as regular salary. In situations where an employee is not expected to work during the notification period, *pay in lieu of notice* must be recorded in FY2009 if notification occurred on or before June 30th.

All necessary accrual entries will be coordinated between the FAS Office of Finance and the FAS Office of Human Resources and processed centrally.

E. Accounts Receivable Accruals

An accounts receivable (A/R) accrual should be recorded in cases where a department has not received income for goods provided or services performed during FY2009. Accounts receivable accruals must be established for all billings, reimbursements, or other outside income of \$5,000 or greater. Departments may setup A/R accruals for billings of less than \$5,000 if it is material to the unit.

- For departments using the Oracle A/R system, these accruals may be processed by entering invoices into the A/R system by **July 8th**, as noted below in the Detailed Closing Schedule below.
- For those not using the Oracle A/R System, or in cases where the deadline to submit an A/R invoice has passed, a journal will need to be prepared to record the revenue in FY09 and set up a receivable on the balance sheet. The journal will credit the department's coding using an appropriate income object code (or expense object code, if appropriate). You will debit the following coding using your Tub and Org:

Debit: Tub.Org.0130.000000.000000.0000.00000

Please submit this journal to finjrn1@fas.harvard.edu for processing *no later* than the third close and send the appropriate backup to Michael Jackson at 1414 Massachusetts Avenue, Room 480. The deadlines for submitting journals for each close are outlined in Section III below. The journal will be reversed by the FAS Office of Finance in July, FY2010.

F. Prepaid Expenses

In situations where the department has paid an invoice in the current fiscal year for goods or services that will not be received until the next fiscal year, the expense must be recorded as a "prepaid expense". Prepaid expenses must be setup for individual expenses of \$5,000 or greater. Departments may setup prepaid expenses for expenses less than \$5,000 if it is material to the unit.

A prepaid expense is recorded using a journal voucher. This journal will credit the expense coding used on the original web voucher. You will debit the following coding using your Tub and Org:

Debit: Tub.Org.0540.000000.000000.0000.00000

Please submit this journal to finjrn1@fas.harvard.edu for processing *no later* than the third close and send the appropriate backup to Michael Jackson at 1414 Massachusetts Avenue, Room 480. The deadlines for submitting journals for each close are outlined in Section III below. The journal will be reversed by the FAS Office of Finance in July, FY2010.

G. Deferred Revenue

Deferred revenue should be recorded when revenue has been received in the current fiscal year but the department will not be providing the good or service until the next fiscal year. This revenue represents “unearned income” and must be deferred until the following year. Examples include:

- Summer or fall program income received before year-end
- Executive and continuing education program revenue received in the current year for programs offered in the following fiscal year
- Publications/ subscription revenue where subscription revenue has been received in the current fiscal year for months which fall into the next fiscal year.

Deferred revenue must be setup for income of \$5,000 or greater. Departments may accrue for deferred revenue for amounts less than \$5,000 if it is material to the unit.

Refer to the list of “Who to Call?” in Section V below if you have questions regarding when to recognize revenue.

IV. Detailed Closing Schedule

Date	Time	Event
FAS DEADLINE Fri., May 15	5 p.m.	<ul style="list-style-type: none"> • Requests to have a fund value disabled
FAS DEADLINE Mon., June 1	5 p.m.	<ul style="list-style-type: none"> • Requests to have an activity, subactivity, or root value disabled
Friday, June 5	5 p.m.	<ul style="list-style-type: none"> • Credit vouchers with foreign checks to Cash Receipts
Friday, June 19	5 p.m.	<ul style="list-style-type: none"> • Web Voucher Travel Authorization forms (WV-TAFs) approved and ticketed by tubs
Monday, June 22	5 p.m.	<ul style="list-style-type: none"> • Credit vouchers with validated deposit slips to Cash Receipts • Mass Taxable Sales Deposit forms for deposits made through June 19 to Cash Receipts • Web Voucher Reimbursement reports with advance settlements accompanied by checks to Reimbursements & Card Services
Tuesday, June 23	5 p.m.	<ul style="list-style-type: none"> • Web Voucher payments to be made in a foreign currency entered and approved by tub with related invoices to Accounts Payable
Wednesday, June 24	3 p.m.	<ul style="list-style-type: none"> • PCard sweep for transactions loaded between June 5 and June 11
	5 p.m.	<ul style="list-style-type: none"> • Uncashed vendor checks to be re-deposited to Accounts Payable
Thurs, June 25	5 p.m.	<ul style="list-style-type: none"> • Voided and re-deposited checks to Accounts Payable • Stopped and re-deposited checks to Accounts Payable • PCard sweep for transactions loaded between June 12 and June 18
Friday, June 26	1 p.m.	<ul style="list-style-type: none"> • Web voucher payments via Automatic Clearing House entered and approved online in the Web Voucher system with related invoices to Accounts Payable
	5 p.m.	<ul style="list-style-type: none"> • Petty cash logs for settlement to Accounts Payable
Monday, June 29	12 p.m.	<ul style="list-style-type: none"> • AP special handling requests to Accounts Payable • Credit vouchers accompanied by cash or checks to Cash Receipts
	5 p.m.	<ul style="list-style-type: none"> • US wire transfers: web vouchers entered and approved by units; related invoices to Accounts Payable • New gifts for which a new gift fund must be established to FAS Finance Office
Tues., June 30	10 a.m.	<ul style="list-style-type: none"> • First closing sponsored funds Cost Transfer requests to OSP
	12 p.m.	<ul style="list-style-type: none"> • Credit vouchers accompanied by cash or checks to Cash Receipts
FAS DEADLINE Wednesday, July 1	12 p.m.	<ul style="list-style-type: none"> • Journals to be processed by FAS Financial Office must be received at the special email address of finjrnl@fas.harvard.edu by this deadline to be processed for the FIRST Closing.
Wednesday, July 1	12 p.m.	<ul style="list-style-type: none"> • Credit vouchers with valid deposit slips for 6/30 to Cash Receipts • Massachusetts Taxable Sales Deposit forms for 6/30 to Cash Receipts
	5 p.m.	<ul style="list-style-type: none"> • PCard system final FY2009 sweep for transactions loaded between June 19 and June 25

Date	Time	Event
Thursday, July 2	11a.m.	• First closing manual journal entry deadline
	5 p.m.	<ul style="list-style-type: none"> • Web Voucher Reimbursement reports to Reimbursements & Card Services • Web Voucher Reimbursement reports with advance settlements for zero balance or cash due to traveler to Reimbursements & Card Services
Friday, July 3	9 a.m.	• Data Warehouse updated for first closing results
Monday, July 6	5 p.m.	• Vendor setup forms for new vendors or changes to current vendors to Vendor Setup
Tuesday, July 7	10 a.m.	• Second closing sponsored funds Cost Transfer requests to OSP
Wednesday, July 8	5 p.m.	• AR invoices and credit memos entered into the AR system
FAS DEADLINE Wednesday, July 8	5 p.m.	• Journals to be processed by FAS Financial Office must be received at the special email address of finjrn1@fas.harvard.edu by this deadline to be processed for the SECOND close.
Friday, July 10	11 a.m.	• Second closing manual journal entry deadline (including interdepartmental billing JVs)
	5 p.m.	• Web vouchers to be processed in FY2009 entered and approved by units; related invoices to Accounts Payable
Saturday, July 11	9 a.m.	• Data Warehouse updated for second closing results
Monday, July 13	10 a.m.	• Gift deposits to existing funds must be received by RSO
Tuesday, July 14	10 a.m.	• Third closing sponsored funds Cost Transfer requests to OSP
FAS DEADLINE Wednesday, July 15	5 p.m.	• Journals to be processed by FAS Financial Office must be received at the special email address of finjrn1@fas.harvard.edu by this deadline to be processed for the THIRD close.
FAS DEADLINE Thursday, July 16	10 a.m.	• SPECIAL ACCRUAL DEADLINE: All tub, departmental and center contacts that received an accrual file from the FAS Financial Office must return the annotated file by 10 a.m. and be available by phone/email for consultation on Thursday, July 16 if necessary.
Friday, July 17	11 a.m.	• Third closing manual journal entry deadline
Saturday, July 18	9 a.m.	• Data Warehouse updated for third closing results
FAS DEADLINE Tuesday, July 21	12 p.m.	• Journals to be processed by FAS Financial Office must be received at the special email address of finjrn1@fas.harvard.edu by this deadline to be processed for the FOURTH Close. Note: Special permission is needed from Maureen Rekrut BEFORE submitting a journal to the FAS journal email address during the Fourth close.
Friday, July 24	9 a.m.	• Data Warehouse updated for fourth closing results
Saturday, August 1	9 a.m.	• Data Warehouse updated for fifth closing results

V. Who to Call?

For questions relating to...	Please contact:		
Transaction	Contact	Location	Phone
A/P & A/R Accruals, Prepaid Expenses and Deferred Revenue – Departments in Tub 370	Michael Jackson	1414 Mass Ave	5-1526
A/P & A/R Accruals, Prepaids and Deferred Revenue – Tubs and Museums	Maureen Rekrut	1414 Mass Ave	5-0690
A/P web vouchers	Accounts Payable	1033 Mass. Ave., 2nd floor	5-8500
Credit vouchers	Cash Receipts	1033 Mass. Ave. Mezzanine	6-8332
Check voids / re-deposits	Accounts Payable	1033 Mass. Ave., 2nd floor	5-4175
Wires and drafts	Accounts Payable	1033 Mass. Ave., 2nd floor	5-4175
PCard transactions	Reimbursements & Card Services	1033 Mass. Ave., 2nd floor	6-2273
Travel authorization forms	Reimbursements & Card Services	1033 Mass. Ave., 2nd floor	5-7760
Web Voucher Reimbursement reports	Reimbursements & Card Services	1033 Mass. Ave., 2nd floor	5-7760
AR invoices	Accounts Receivable	1033 Mass. Ave., 2nd floor	5-3787
Journal vouchers			
Manual Journal Vouchers	General Accounting	1033 Mass. Ave.	5-4592
Upload Journal Vouchers	Michael Jackson	1414 Mass. Ave.	5-1526
	Josh Dunn	1414 Mass. Ave.	5-7652
	Gina Armstrong	1414 Mass. Ave	5-9107
Journal Vouchers for FOURTH CLOSE	Maureen Rekrut	1414 Mass Ave	5-0690
Cost transfers - sponsored funds	Sponsored Research	Holyoke 617	6-2513

VI. Year-End Reporting

Fiscal Year 2009 Close Dates	Detail Listing Report Periods: Show Transactions "Between Dates"	CREW Scheduled YE Closes "Event" Kick-off Date
First Close	FY09 June entries posted from June 1 thru July 2	Friday, July 3
Second Close	FY09 June entries posted from July 3 thru July 10	Saturday, July 11
Third Close	FY09 June entries posted from July 11 thru July 17	Saturday, July 18
Fourth Close	FY09 June entries posted from July 18 thru July 23	Friday, July 24
Fifth Close	FY09 June entries posted from July 24 thru July 31	Saturday, August 1

Every year-end we experience exceptional reporting demands during the closings. Following these suggestions on reporting will reduce the time required to run your reports.

- Use the Detail Listings "close" dates to limit to the specific transactions that occurred in each close. Choose the specific close (First Close, Second Close, etc.) from the report period pick list. Note that the start and end dates populated for these periods will display July dates. For these closing periods only, these dates refer to the actual entry dates of fiscal month June entries. We strongly recommend that you take advantage of using the close dates to narrow the scope of your data rather than capturing all of the Prior Fiscal Year data throughout the close periods.
- **IMPORTANT NOTE:** In the CREW application fiscal year 2009 close dates will be displayed in the Detail Listings report period names until July 1. On July 1, these dates automatically update to the FY2010 dates. This does NOT preclude setting up and scheduling reports in advance. The FY2009 dates will automatically repopulate all scheduled reports.
- Schedule your closing reports to run on the Year-End "Event" dates.
- Enter all of the chart segment parameters you can for a given report request to improve performance for yourself and the whole University. Never use your security view to filter your data.
- Only use transaction reports like the Detailed Listing when you really need to see the transaction line detail. Summary-level balances can be retrieved in reports such as the Summary Actuals Listing report, Fund Summary report, Fund, Gift, & Unrestricted Unexpended Balance report, and the Budget Variance report.
- Preserve server disk space by deleting unneeded reports instead of waiting for them to "purge." (Note: Report requests are systematically purged after seven days.) This is especially important if you have report output that you know is large.
- Keep in mind that, as of July 1, the Current Fiscal Year to Date option will reflect FY2010. To retrieve FY2009 year-to-date transactions, select the **Prior Fiscal Year** date period from the period pick list.