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TO: Directors, Department Heads, and Administrators

FROM: Nicole Tirella, University Comptroller
Brianna Fanning, Associate Comptroller

DATE: May 5, 2023

SUBJECT: Fiscal Year Closing - June 30, 2023

With the University's fiscal year-end fast approaching, this memo provides information about the year-end closing processes and related schedule. At year end, we follow the procedures described below to make sure our revenue and expense posted transactions for the current year are complete and accurate, and that any activity relating to next year is deferred. Our goal is to provide a complete and accurate picture of the University's operations for the fiscal year in our financial statements for our own analysis, and for our external auditors, bond raters, and regulators. We thank you in advance for your cooperation to help ensure a smooth, fast, and accurate close.

Topics covered include:

1. Overview of the close process
 - Closing periods and related key dates
 - ISR and FSR billings
 - Expense accruals and income deferrals
 - Salary adjustments
 - Rolling forward commitments to fiscal year 2024
 - Beginning balances for fiscal year 2024
2. Other considerations for year-end
 - Concur travel and expense reimbursements
 - Time off requests
 - Purchase order close-out
 - Faculty leave and termination actions
 - Restricted gift and endowment spendable accounts
 - Sponsored Programs
3. Training opportunities

OVERVIEW OF THE CLOSE PROCESS

Closing periods and key dates: The closing schedule is attached and is also available at <http://www.bu.edu/cfo/comptroller/resources>. The schedule provides information about deadlines for journal entries, submitting invoices for posting before the books are closed (including travel and expense reimbursement requests), payroll transactions and distribution changes, purchase orders, budget adjustments, P-Card purchases, expense accruals, income deferrals, vacation time taken in fiscal year 2023, ISR, FSR, cash receipts.

The first closing period (a continuation of SAP period 12) will be from **Saturday, July 1, 2023, through 5:00 p.m. on Friday, July 7, 2023**. During this period, users will be able to post journal entries to record expenses, revenues and transfers relating to the University's fiscal year 2023 activity. Regular "SA", "ZJ", "ZK", or "ZV" journal entry transactions must be used. Users should select SAP period 12, and all entries made during this closing period should have a posting date in June 2023. All journal entries and JV uploads must be approved at the department level by **noon on Friday, July 7, 2023**, to provide time for central approval. Central approvals must be completed by **5:00 p.m. on Friday, July 7, 2023**. Please be sure to review all parked documents as any remaining after **noon on Friday, July 7, 2023**, will be deleted.

ISR and FSR billings: Internal Service Provider and Facilities billings will be posted by **5:00 p.m. on Friday, June 23, 2023**, and available to review on **Saturday, July 1, 2023**.

Expense accruals and income deferrals: Although we generally are able to process all the invoices we receive for June, there are always invoices that do not arrive in time. Additionally, there is often revenue that we receive in June that relates to a future period. These expenses and revenues, if greater than \$5,000, must be accrued or deferred by journal entry. Boston University uses the "accrual basis method" of accounting. Accordingly, significant expenses and revenues are recorded in the year when they are incurred (for expenses) or earned (for revenues).

Expense accruals

- If you have an individual invoice for more than \$5,000 that should be accrued in fiscal year 2023 and was not posted by June 30, email a copy of the invoice to yearend@bu.edu. Please include your cost center and which general ledger the invoice should be accrued to. *Individual invoices under \$5,000 will not be accrued.* The last day to submit invoices for accrual is by **noon on Wednesday, July 5, 2023**.

Income deferrals

- All requests to defer income should be emailed to yearend@bu.edu. *Individual amounts under \$5,000 will not be deferred.* The last day to submit requests is by **noon on Wednesday, July 5, 2023**.

If you have questions about the accrual of invoices or the deferral of revenue, please contact the General Accounting & Financial Reporting at yearend@bu.edu.

Salary adjustments: PA Forms with salary adjustments must be approved at the departmental level by **Thursday, June 15, 2023, at 5:00 p.m.** to be included in the last regular monthly payroll of the fiscal year.

Rolling forward commitments to FY 2024: ISR, FSR, purchase order, and shopping cart commitments will be rolled forward to fiscal year 2024 on **Saturday, July 1, 2023**.

Beginning balances for FY 2024: Preliminary beginning balances on Internal Orders will be available by the first week of August; although most closing adjustments are complete by the end of July, the closing process is not fully complete until the University's external audit is finalized, generally in late September.

1. OTHER CONSIDERATIONS FOR YEAR-END

Time off requests: Please ensure all vacation requests for dates in fiscal year 2023 have been entered and approved by **Friday, June 30, 2023, at 5:00 p.m.**

Purchase Order Closeout: Sourcing & Procurement offers a streamlined process for Purchase Order (PO) Closeout Requests for **Guided BUYing** POs through the [Financial Affairs Customer Service Portal](#). Please review your open PO commitments to see if POs can be closed and avoid being carried forward to fiscal year 2024. Please submit all PO Closeout Requests by **Friday, June 23, 2023**.

- **When to Cancel a PO:** POs should only be cancelled after the supplier has confirmed items on the PO have not been shipped or invoiced. You can cancel a Purchase Request (PR) by clicking "Cancel request" in **Guided BUYing**. Once you cancel the PR, it will automatically cancel and close the PO and send a PO cancellation confirmation to the supplier. You do not need to submit a PO Closeout Request.
- **When to Submit a PO Closeout Request in the Financial Affairs Customer Service Portal:** You should submit a PO Closeout Request when no further invoices are expected for the PO, but commitments remain (e.g., we were invoiced less for a line item than the PO indicated). These instances should be rare now that you, as the Requisitioner, can edit PRs. If a supplier short ships a PO due to lack of inventory, or makes a change to the order, you can adjust the PR in **Guided BUYing** to the price invoiced or amount shipped, and the PR will automatically close when the total quantity and/or value has been invoiced and paid. Or, if it is easier, submit a PO Closeout Request and Sourcing & Procurement will close the PO and the commitment will be released.
- **When a PO Auto-Closes:** In **Guided BUYing**, a Standard PO will automatically close when the total quantity has been invoiced and paid. An Amount Based PO will automatically close when the exact dollar amount on the PO has been fully invoiced and paid. If the supplier's complete and final invoices are less than the dollar amount of an Amount Based PR, you should submit a PO Closeout Request to release the remaining commitment. **Sourcing & Procurement can ONLY close POs when all items have been shipped and all invoices have been paid.**

If you have questions about the PO Closeout process, please submit a ticket in the [Financial Affairs Customer Service Portal](#).

Faculty leave and termination actions for FY24: By **Monday, July 17, 2023**, a leave of absence form **with an effective date of Friday, June 30, 2023**, must be completed for any faculty member who will be on leave, including a sabbatical leave, next fall. Also, by **Monday, July 17, 2023**, a termination form **with the effective date of Friday, June 30, 2023**, must be completed for any faculty member who will be leaving the University. This is important for the faculty on accrual because the 12-month pay cycle for faculty starts in July. If leave of absence and termination forms are not entered timely, payments for fiscal year will begin in July. These over-payments will then

have to be recovered, an inconvenient and complex process for departments and their faculty, as well as for Payroll and HR.

Restricted gifts and endowment spendable accounts: Department leaders, and especially department financial administrators, are responsible for ensuring the spending of gift and endowment income is consistent with donor restrictions. If your department has questions about the nature of a restriction on a gift or endowment fund or if an expenditure is consistent with the restrictions on a gift or endowment fund, please submit your questions to GA&FR at genacctg@bu.edu. **Over-expenditures on restricted funds cannot be carried over to the next fiscal year; please make arrangement to fund these deficits by moving the expenditures.**

Sponsored Programs: Now is the time to ensure that your grant accounts have been reviewed, and that salary and other expenditures relating to the grant have been posted to the grant and not to other University cost objects. Because of the sensitivity of cost transfers, especially late cost transfers, when the University's research spending is audited, this review is important even if your Sponsored Account is not ending. Reference guidance to help you manage your grant accounts is available on the [Research Support](#) website.

2. ***TRAINING OPPORTUNITIES***

BUworks training: BUworks will be offering training on entering journal entries, journal entry workflow, how to use WebGUI- FI, submitting Internal Service Requests, PO invoice workflow, and how to use the SAP Account Crosswalk during May and June. Please take advantage of these training opportunities; each one includes tips and tricks on how to make the best use of the SAP system. For more information on available training, and to register, go to the [BUworks training Website](#).

Year-end webinar: On **May 11, 2023, at 1:00 p.m.**, we will be offering a webinar to provide an opportunity for questions and answers on the year-end close. This will also be an opportunity to ask questions you have about year-end, as well as any financial processes, policies and procedures. Staff from GA&FR, Budget, Sourcing & Procurement, Sponsored Programs, Accounts Payable, Travel and Card Services, and Payroll will be available to answer questions. If you are unable to attend, a recording of the webinar will be made available for playback afterwards.

[Click here to register for the Year-end Webinar](#)

With your help and support, we are looking forward to a smooth closing. Please contact us with any questions or concerns.

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SUMMARY OF YEAR-END DEADLINES

<u>ITEMS</u>	<u>TIME</u>	<u>DATE</u>	<u>DAY</u>
Student Payroll			
Student salary adjustments			
For payroll periods prior to May 2023	5:00 p.m.	May 30, 2023	Tuesday
For payroll periods in June 2023	5:00 p.m.	June 12, 2023	Monday
Concur Travel Reports	5:00 p.m.	June 16, 2023	Friday
Vendor Invoices			
Purchase Order Related	5:00 p.m.	June 16, 2023	Friday
Non-Purchase Order Related	5:00 p.m.	June 16, 2023	Friday
Purchase Orders - Close Out Requests	5:00 p.m.	June 23, 2023	Friday
Payroll			
Last day to submit:			
OM Forms – current employees	5:00 p.m.	June 13, 2023	Tuesday
PA Forms – current employees	5:00 p.m.	June 15, 2023	Thursday
Stipend Forms	5:00 p.m.	June 20, 2023	Tuesday
Weekly Staff, Student, Facilities & Casual time sheets	Noon	June 20, 2023	Tuesday
Faculty leaves and terminations for FY24	5:00 p.m.	July 17, 2023	Monday
Budget Adjustments	Noon	June 16, 2023	Friday
P-Card Purchases **			
Last day to make a P-Card purchase	5:00 p.m.	June 16, 2023	Friday
Cash Receipts	Noon	June 30, 2023	Friday
Departmental Sales - Customer Invoices	5:00 p.m.	June 30, 2023	Friday
Internal Service Requests (ISR)			
New Requests for FY 2023	5:00 p.m.	June 9, 2023	Friday
Provider Billing Posting	5:00 p.m.	June 23, 2023	Friday
Facility Service Requests (FSR)			
New Requests for FY 2023	5:00 p.m.	June 9, 2023	Friday
Provider Billing Posting	5:00 p.m.	June 23, 2023	Friday
Expense accruals/Income deferrals to General Accounting	Noon	July 5, 2023	Wednesday
Journal Entries & JV Uploads			
Department Level Approval	Noon	July 7, 2023	Friday
Central Approval	5:00 p.m.	July 7, 2023	Friday
Time off requests			
Department Level Approval	5:00 p.m.	June 30, 2023	Friday

**It may take up to 5 business days after a purchase is made for a vendor transaction to be available for cardholder review and account updating in WORKS (the P-Card system). Purchases made after Friday, June 16, 2023, may not be available for cardholder review and updated in time for inclusion in FY 2023. All updates should be complete by 1:00 p.m. on Friday, June 30, 2023; posting to General Ledger will be at 5:00 on Friday, June 30, 2023.