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TO: Directors, Department Heads, and Administrators

FROM: Gillian Emmons, University Comptroller
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DATE: May 15, 2020

SUBJECT: Fiscal Year Closing - June 30, 2020

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 FY 2021
 - Beginning balances for FY 2021
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 FY 2020, ISR, FSR, cash receipts.

The first closing period (a continuation of SAP period 12) will be from **Wednesday, July 1, 2020 through 5:00 p.m. on Tuesday, July 7, 2020**. During this period, users will be able to post journal entries to record expenses, revenues and transfers relating to the University's FY 2020 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 2020. All journal entries and JV uploads must be approved at the department level by **noon on Tuesday, July 7, 2020** to provide time for central approval. Central approvals must be completed by **5:00 p.m. on Tuesday, July 7, 2020**. Please be sure to review all parked documents as any remaining after **noon on Tuesday, July 7, 2020** will be deleted.

ISR and FSR billings: Internal Service Provider and Facilities billings will be posted by **5:00 p.m. on Friday, June 26, 2020** and available to review on **Wednesday, July 1, 2020**.

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 FY 2020 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 Thursday, July 2, 2020**.

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 Thursday, July 2, 2020**.

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 **Friday, June 19, 2020 at 5:00 p.m.** to be included in the last regular monthly payroll of the fiscal year.

Rolling forward commitments to FY 2021: ISR, FSR, purchase order, and shopping cart commitments will be rolled forward to FY 2021 on **Wednesday, July 1, 2020**.

Beginning balances for FY 2021: Preliminary beginning balances on Internal Orders will be available by the end of July; 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

Concur travel and expense reimbursements: Please log into Concur to assign all open charges, complete any open travel reports, and obtain department approval via the system by **Wednesday, June 17, 2020 at 5:00 p.m.** Expenses related to travel reports assigned after June 17, 2020 may not post to FY 2020. University policy requires that charges made on the University Travel Card be assigned to a Concur travel report no later than 30 days after the charge is posted to Concur – but at year-end, please make every effort to assign **all** open charges to a Concur travel or expense reimbursement report, even those that posted within the last 30 days; the trip start and end dates help us to ensure the accuracy of our financial statements. Please also note that all travel reports must be submitted within 30 days after the trip end date.

Time off requests: Please ensure all vacation requests for dates in FY 2020 have been entered and approved by **Tuesday, June 30, 2020 at 5:00 p.m.**

Purchase Order closeout: Sourcing & Procurement offers a streamlined process for Purchase Order (PO) closeout requests through the [Financial Affairs Customer Service Portal](#). Please review your open PO commitments to see if any can be closed and avoid being brought forward to FY 2021. Please submit requests all POs that should be closed by Monday, June 15, 2020.

Due to the anticipated system change to Ariba Guided Buying scheduled to go-live on August 3, 2020, we will roll all active limit orders into the new fiscal year. Meaning, we will carry forward active limit orders into July and close them prior to go-live, on or around July 17, 2020. Replacement annual orders will be processed in Ariba Guided Buying post go-live.

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

Faculty leave and termination actions for September: By **Friday, July 17th, 2020**, a leave of absence form **with an effective date of Wednesday, July 1, 2020** must be completed for any faculty member who will be on leave, including a sabbatical leave, next fall. Also, by **Friday, July 17, 2020**, a termination form **with the effective date of Wednesday, July 1st, 2020** 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 FY 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 does not have detailed information on the nature of a restriction on a gift or endowment fund, please contact Julia Leone (jleone@bu.edu), Supervisor of Financial Reporting, Endowment and Investment Accounting or Cara Griffin (caramg@bu.edu), Senior Accountant, Endowment and Investment Accounting. They can also help you if you have questions about whether an expenditure is consistent with the restrictions on a gift or endowment fund. 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 at the Post Award and Financial Operation's (PAFO) new website: <http://www.bu.edu/researchsupport/project-lifecycle/closing-out-an-award/>.

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 this website: <http://www.bu.edu/tech/training/classroom/buworks/>.

Year-end webinar: On June 3, 2020, at 10:00 a.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 General Accounting and Financial Reporting, Budget, Sourcing & Procurement, PAFO, Accounts Payable, Travel and Card Services, and Payroll will be available to answer questions. Here is the link to register: http://www.bu.edu/phpbin/training/register/index.php?admingroup_id=22&course_id=1210

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 2020	5:00 p.m.	June 1, 2020	Monday
For payroll periods in June 2020	5:00 p.m.	June 15, 2020	Monday
Concur Travel Reports	5:00 p.m.	June 17, 2020	Wednesday
Vendor Invoices			
Purchase Order Related	5:00 p.m.	June 15, 2020	Monday
Non-Purchase Order Related	5:00 p.m.	June 15, 2020	Monday
Purchase Orders - Close Out Requests (Limit Orders will be closed in July in anticipation of Ariba)	5:00 p.m.	June 15, 2020	Monday
Payroll			
Last day to submit:			
OM Forms – current employees	5:00 p.m.	June 16, 2020	Tuesday
PA Forms – current employees	5:00 p.m.	June 19, 2020	Friday
Stipend Forms	5:00 p.m.	June 23, 2020	Tuesday
Weekly Staff, Student, Facilities & Casual time sheets	Noon	June 23, 2020	Tuesday
Faculty leaves and terminations	5:00 p.m.	July 17, 2020	Friday
Budget Adjustments	Noon	June 15, 2020	Monday
P-Card Purchases **			
Last day to make a P-Card purchase	5:00 p.m.	June 17, 2020	Wednesday
Cash Receipts	Noon	June 30, 2020	Tuesday
Departmental Sales - Customer Invoices	5:00 p.m.	June 30, 2020	Tuesday
Internal Service Requests (ISR)			
New Requests for FY 2020	5:00 p.m.	June 12, 2020	Friday
Provider Billing Posting	5:00 p.m.	June 26, 2020	Friday
Facility Service Requests (FSR)			
New Requests for FY 2020	5:00 p.m.	June 12, 2020	Friday
Provider Billing Posting	5:00 p.m.	June 26, 2020	Friday
Expense accruals/Income deferrals to General Accounting	Noon	July 2, 2020	Thursday
Journal Entries & JV Uploads			
Department Level Approval	Noon	July 7, 2020	Tuesday
Central Approval	5:00 p.m.	July 7, 2020	Tuesday
Time off requests			
Department Level Approval	5:00 p.m.	June 30, 2020	Tuesday

**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 Wednesday, June 17, 2020, may not be available for cardholder review and updated in time for inclusion in FY 2020. All updates should be complete by 3:00 p.m. on Tuesday, June 30, 2020; posting to General Ledger will be at 5:00 on Tuesday, June 30, 2020.