



Year-End Close

Each fiscal year, Boston University is required to prepare consolidated financial statements per Generally Accepted Accounting Principles (GAAP).

These financial statements provide an overview of the University's activities for the fiscal year (July 1 through June 30) and reveal important information about the financial health of our Institution.

To prepare financial statements, accounting procedures are undertaken throughout the year to ensure that all transactions posted are accurate and recorded to the appropriate period. Year-end accounting procedures are similar to the processes you already perform on a daily, weekly, or monthly basis, but are particularly important during this period as they provide one last opportunity to record all your departmental activities and make any necessary corrections.

A. Closing Periods and Key Dates

In May of each year, the Boston University Office of the Comptroller provides Schools' directors and administrators with a Fiscal Year Closing Memo, which includes key dates and deadlines, as shown in the example below.

| 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 2019 | 5:00 p.m. | June 3, 2019 | | Monday |
| For payroll periods in June 2019 | 5:00 p.m. | June 17, 2019 | | Monday |
| Concur Travel Reports | 5:00 p.m. | June 19, 2019 | | Wednesday |
| Vendor Invoices | | | | |
| Purchase Order Related | 5:00 p.m. | June 19, 2019 | | Wednesday |
| Non-Purchase Order Related | 5:00 p.m. | June 19, 2019 | | Wednesday |
| Purchase Orders - Close Out Requests | 5:00 p.m. | June 14, 2019 | | Friday |
| Petty Cash Close Outs | 5:00 p.m. | June 14, 2019 | | Friday |
| Payroll | | | | |
| Last day to submit: | | | | |
| OM Forms – current employees | 5:00 p.m. | June 17, 2019 | | Monday |
| PA Forms – current employees | 5:00 p.m. | June 20, 2019 | | Thursday |
| Stipend Forms | 5:00 p.m. | June 18, 2019 | | Tuesday |
| Weekly Staff, Student, Facilities & Casual time sheets | Noon | June 25, 2019 | | Tuesday |
| Faculty leaves and terminations | 5:00 p.m. | July 12, 2019 | | Friday |
| Budget Adjustments | Noon | June 21, 2019 | | Friday |
| P-Card Purchases ** | | | | |
| Last day to make a P-Card purchase | 5:00 p.m. | June 19, 2019 | | Wednesday |
| Cash Receipts | Noon | June 28, 2019 | | Friday |
| Departmental Sales - Customer Invoices | 5:00 p.m. | June 28, 2019 | | Friday |
| Internal Services Requests (ISR) | | | | |
| New Requests for FY 2019 | Noon | June 14, 2019 | | Friday |
| Provider Billing Posting | 5:00 p.m. | June 28, 2019 | | Friday |
| Facility Service Requests (FSR) | | | | |
| New Requests for FY 2019 | 5:00 p.m. | June 14, 2019 | | Friday |
| Provider Billing Posting | 5:00 p.m. | June 28, 2019 | | Friday |
| Expense accruals/Income deferrals to General Accounting | Noon | July 2, 2019 | | Tuesday |
| Journal Entries & JV Uploads | | | | |
| Department Level Approval | 5:00 p.m. | July 5, 2019 | | Friday |
| Central Approval | Noon | July 8, 2019 | | Monday |
| Time off requests | | | | |
| Department Level Approval | 5:00 p.m. | June 28, 2019 | | 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 June 19, 2019, may not be available for cardholder review and update in time for inclusion in FY 2019. All updates should be complete by 3:00 p.m. June 28; posting to General Ledger will be at 5:00 on Friday, June 28.

The Office of the Comptroller provides University-wide deadlines and internal deadlines will be set by the School of Public Health to comply with the Comptroller Office’s requirements. Soon after the Comptroller Office’s Year-End Memo is publicized, the SPH Finance and Administration Office will provide the internal deadlines to all department directors and administrators within the School. Department directors and administrators are responsible for continuously monitoring individual accounts, ensuring the timely recording of transactions, and are encouraged to begin the year-end closing process as early as possible.

B. Income and Expense Accruals

The term accrual refers to any individual entry used to record revenue or expense in an accounting period, in the absence of cash exchange. Income and Expense Accruals are a GAAP-based accounting requirement and provide a more accurate view of the University’s financial position.

Procedure

Departments’ directors and administrators are responsible for providing SPH Finance and Administration with all the information needed to prepare year-end accrual entries. The School must meet internal deadlines and backup documentation for all transactions.

Threshold

The threshold amount set by the Office of the Comptroller is generally \$5,000, but departments will be notified of any changes as needed.

Reversal of accruals

Accruals are reversed by the Office of the Comptroller a few days after the start of the new Fiscal Year and will have a date of July 1. Each department director and administrator should ensure that accrual entries (and reversals) have posted appropriately and should contact SPH Finance and Administration with any discrepancies.

Income accruals

Recording an income accrual ensures that revenue is recognized in the accounting period when it is earned, rather than when payment of funds is received.

The following example illustrates revenue that SPH is required to accrue

- SPH Department (e.g., BEDAC) provides \$5,000 worth of data entry services on June 3 (FY18). An invoice is prepared and sent by the SPH Department on June 15 (FY18) with payment terms “net 30” (i.e., payment for services not received until July- FY19).

For services provided to the client in the current fiscal year (FY18), record an income accrual entry in SAP on or before June 30th (FY18). This ensures that the revenue is captured in the fiscal year when earned, as opposed to when payment was received (July FY19).

SPH Finance and Administration will provide a template to all department directors and administrators to record income accrual. Kindly complete the template as illustrated in the example below and provide supporting documentation (e.g., BU invoice) showing completion of services (or delivery of goods) before the end of the fiscal year.

| GL Acct PK (6 digits) (40 = debit or 50= credit) | Amount always a positive number | Cost Obj (fund center or IO - must be 10 digits) | Item Text (50 character limit) |
|---|------------------------------------|---|---|
| 420030 | 50 | 5000 | 244XXXXXX Data Entry Services to John Doe |

For a description of what each column means, please see Appendix A.

Expense accruals

Recording an expense accrual ensures that the expense is recognized in the accounting period when incurred rather than when paid.

The following examples illustrate expenses that SPH is required to accrue

- \$5,100 worth of promotional supplies, purchased by your department on June 1 and received on June 28 (FY18). The supplier sent an invoice for these goods on July 3 (FY19).
- Your department requested \$ 6,000 worth of editing and printing for a piece published on June 15 (FY18). The invoice from the vendor was received on June 27, but the scheduled payment is not until August 15 (FY19).

As these supplies and services were received in the current fiscal year (FY18), an expense accrual entry should be recorded in SAP on or before June 30 (FY18). This ensures that the expenses are captured in the fiscal year when incurred rather than when payment was made (July or August FY19).

SPH Finance and Administration will provide a template to all department directors and administrators to record income accrual. Kindly complete the template as illustrated in the example below and provide supporting documentation (e.g., invoices for services, or packing slip for materials and supplies) dated on or before June 30th, the end of the fiscal year.

| GL Acct (6 digits) | PK (40 = debit or 50 = credit) | Amount always a positive number | Cost Obj (fund center or IO - must be 10 digits) | Item Text (50 character limit) |
|-----------------------|-----------------------------------|------------------------------------|---|-----------------------------------|
| 540010 | 40 | | 5100 244XXXXXXX | Research Supplies |
| 513000 | 40 | | 6000 244XXXXXXX | Article edits and printing |

(For a description of what each column means, please see Appendix A.)

C. Income and Expense Deferrals

The term deferral refers to a cash exchange (money received or paid) for goods or services that have not yet been received or provided. Income and Expense deferrals are a GAAP-based accounting requirement and provide a more accurate view of the University's financial position.

Procedure

Departments' directors and administrators are responsible for providing SPH Finance and Administration with all the information needed to prepare year-end deferral entries. The School must meet internal deadlines and backup documentation for all transactions.

Threshold

The threshold amount set by the Office of the Comptroller is generally \$5,000, but departments will be notified of any changes as needed.

Reversal of accruals

Accruals are reversed by the Office of the Comptroller a few days after the start of the new Fiscal Year and will have a date of July 1st. Each department director and administrator should ensure that deferral entries (and reversals) have posted appropriately and should contact SPH Finance and Administration with any discrepancies.

Income deferrals

Recording a deferral ensures that the transaction is recognized in the accounting period when the income is earned, rather than when payment was received. In other words, you have received a payment for a good or service in the current fiscal year that will not be delivered or provided until the following fiscal year.

The following example illustrates revenue that SPH will be required to defer

- In June (FY18), an SPH department collects \$40,000 in registration fees for a conference that will not take place until August (FY19). As August is in the next fiscal year (FY19), a revenue deferral is required.

SPH will not provide these services until the following fiscal year (FY19) so income should not be recorded in the current fiscal year (FY18), including cash advances for these services.

SPH Finance and Administration will provide a template to all department directors and administrators to record income accrual. Kindly complete the template, as illustrated in the example below, and provide supporting documentation for each transaction.

Supporting documentation for income deferral includes a Business Warehouse (BW) report showing revenue entries posted to your SPH fund center for all cash receipts (please see screenshot below).

| GL Acct PK (6 digits) (40 = debit or 50= credit) | Amount always a positive number | Cost Obj (fund center or IO - must be 10 digits) | Item Text (50 character limit) |
|---|------------------------------------|---|--|
| 420030 | 40 | 40000 | 244XXXXXX Summer 2018 Conference Registration Fees |

(For a description of what each column means, please see Appendix A.)

| Funds Center | GL/Commitment item | Posting date | Text | Document type | FI doc.number | Doc Control No | Amount |
|-----------------------|-----------------------------|--------------|----------------|---------------|---------------|----------------|--------------------|
| 244XXXXXX | 420030 RECEIPTS AND CREDITS | 06/22/2018 | SPH Conference | Cashier | 1002251234 | - | (10,000.00) |
| 244XXXXXX | 420030 RECEIPTS AND CREDITS | 06/22/2018 | SPH Conference | Cashier | 1002254321 | - | (10,000.00) |
| 244XXXXXX | 420030 RECEIPTS AND CREDITS | 06/22/2018 | SPH Conference | Cashier | 10022512345 | - | (10,000.00) |
| 244XXXXXX | 420030 RECEIPTS AND CREDITS | 06/22/2018 | SPH Conference | Cashier | 10022556781 | - | (10,000.00) |
| Overall Result | | | | | | | (40,000.00) |

Expense deferrals

Recording a deferral ensures that the transaction is recognized in the earned income accounting period, rather than when payment was received. In other words, you have received a payment for a good or service in the current fiscal year that will not be delivered or provided until the following fiscal year.

The following examples illustrate expenses that SPH is required to defer

- In June, an SPH department makes an advance payment of \$7,000 in annual membership dues for period July 2018-June 2019. As this relates to the fiscal year 2019, this should be listed as a prepaid asset and deferred.
- In June, SPH pays for flights (\$7,300), hotel accommodations (\$5,800), and conference fees (\$5,000) for a conference taking place in August. Since August is in the new fiscal year, an expense deferral is required.

SPH will not provide these services until the following fiscal year (FY19), do not record income in the current fiscal year (FY18), including cash advances for these services.

SPH Finance and Administration will provide a template to all department directors and administrators to record income accrual. Kindly complete the template, as illustrated in the example below, and provide supporting documentation for each transaction.

Supporting documentation for expense deferral includes a Business Warehouse (BW) report showing payments entries posted to your SPH fund center (please see screenshot below.)

| Funds Center | GL/Commitment item | Posting date | FI doc number | Vendor | Vendor Invoice | SC Number | Amount |
|-----------------------|---------------------------|--------------|------------------|------------------------------|--------------------|------------|-----------------|
| 244XXXXXX | 513940 Dues & Memberships | 06/18/2018 | 5110312345 | Koninklijke BV | 50012413-July 2018 | 1002251234 | 3,000.00 |
| Overall Result | | | | | | | 3,000.00 |
| 513940 | 50 | 7000 | 244XXXXXX | Annual FY19 APHA dues | | | |

| GL Acct | PK | Amount | Cost Obj | Item Text |
|------------|----------------------------|--------------------------|---|---------------------------------------|
| (6 digits) | (40 = debit or 50= credit) | always a positive number | (fund center or IO - must be 10 digits) | (50 character limit) |
| 513500 | 50 | 7300 | 244XXXXXX | Travel- Flight for Chicago conference |
| 513500 | 50 | 5800 | 244XXXXXX | Travel- Hotel for Chicago conference |
| 513900 | 50 | 5000 | 244XXXXXX | Conference in Chicago |

(For a description of what each column means, please see Appendix A.)

D. Commitment Roll Forward

Commitments are items that reflect upcoming expenditures. Essentially, you have committed this money for goods/services received in the future.

Commitments related to shopping carts and purchase orders, ISRs, and FSRs

At the end of each fiscal year, the system will automatically roll forward all commitment items to the new fiscal year.

As part of the year-end close, departments and units must review all commitments listed in their fund center(s) to ensure that the roll forward is needed. For commitments that should not roll forward, units should:

- i. Shopping carts – shopper who created the shopping cart must **delete the shopping cart**
- ii. Purchase Orders – submit a **Purchase Order Closeout Request**
- iii. ISRs – close by contacting the internal provider directly
- iv. FSRs – close by creating a request in **CAMMS**. If you have any questions, please contact the BUMC Facilities Administrative Assistant Vanessa Winston at wvaness1@bu.edu

E. Beginning Balances Roll Forward

Balance roll forward is one of the last phases of the year-end closing. Most closing adjustments are complete at the end of July, making preliminary beginning balances available by the end of July/beginning of August.

Please note that although the adjustments post, the closing process is not fully complete until the University's external audit is finalized, which is generally in late September.

Once the balances post, each SPH department director and administrator must review to ensure that the beginning balances within their fund center(s) are accurate. This means, for example, that for internal orders, the ending balance in the prior fiscal year agrees with the beginning balance in the new fiscal year.

F. Salary Adjustments

Salary adjustments are made for a variety of reasons, including a promotion, position change, transfer, termination, retirement, and leave of absence, and can be made via completion of a Personnel Action (PA) form. SPH Finance and Administration will provide internal due dates for all departments to ensure effective and efficient processing of salary adjustments.

Payroll processes the final off-cycle payroll at the end of June to capture any final salary distribution adjustments for the fiscal year. PA forms containing salary adjustments for this final off-cycle payroll will be announced in the Fiscal Year Closing Memo.

Helpful Link

[Salary Adjustment Deadlines](#)

G. Concur Travel and Expense Reimbursement

Concur is the university's travel and expense management system. It allows for easy online bookings for travel, increased visibility into expenses, and quick reimbursement turnarounds for out of pocket expenditures.

Charges made on the University Travel Card must be assigned to a Concur travel report no later than 30 days after the charge posts and, at year-end, every effort should be made 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 allow the finance department and central to ensure the accuracy of Boston University's financial statements.

The Fiscal Year Closing Memo will include a due date for when all open charges and travel reports must have department approval within Concur, typically mid-June. Expenses after this due date may not post to the current fiscal year.

Helpful Links

[Travel and Concur](#)

H. Time Off Request Approval

Accrued vacation time is time that an employee has earned, but which has not yet been used or paid (remember the absence of a cash exchange). As the employee has earned this, the University must accrue these expenses and record a liability on their books. This will not only provide an accurate depiction of the University's financial position but fulfills the GAAP requirement.

To ensure the University is recording the appropriate vacation time accrual, the Comptroller's Office requests that all vacation requests for the current fiscal year are entered and approved before the end of June.

Appendix A

Along with the School of Public Health's memo noting internal deadlines to meet the Comptroller's deadlines, SPH Finance and Administration will send an Excel spreadsheet to department directors and administrators to input accruals and deferrals. Within this spreadsheet, there will be columns labeled to assist in entering the information. Below are the labeled column headers.

| Grp# | Rcd Type | Date | Doc Type | Hdr Text | GL Acct | PK | Amt | Cost Obj | Fnd Res Doc # | Fnd Res L | Fnd Res Comp Ind | Fund | Grant | BA | Item Text | Assignment | Ref # |
|------|----------|----------|----------|----------|---------|----|------|------------|---------------|-----------|------------------|------|---------|----|----------------|------------|-------|
| Sum | H | 06172018 | SA | Accrual | | | | | | | | | | | | | |
| Sum | I | | | | 513000 | 40 | 2000 | 2440450000 | | | | | GRANTNR | | Edits & prints | | |
| 001 | H | 06182018 | SA | Deferral | | | | | | | | | | | | | |
| 001 | I | | | | 513500 | 50 | 1800 | 2440450000 | | | | | GRANTNR | | Conference | | |

Grp #: Each unique group number creates a document number in SAP; therefore, multiple documents can be created using the same spreadsheet. A group number is assigned by the user and identifies all line items within a document. This mandatory field can only be 3 characters. Above you will see sum and 001; sum relates to one document, and 001 relates to another.

Rcd Type: Record type will be either "H" for Header or "I" for the line item. Each record must have a header line and an item line. Typically, you need at least two lines for each item, but for year-end, SPH's Finance Department and the Comptroller's Office will be adding the second line.

Date: Document date must be in the following format: mm/dd/yyyy. It is required in a header line, not on a line item. Do not include dashes or slashes. Dates with single digits in the month or day must begin with a leading zero (i.e., January = "01").

Doc Type: Document type will always be "SA" and is required in the header line only.

Hdr Text: Provides a title for the entry.

GL Acct: The general ledger account number can be found in the SPH GL Accounts Short List. If using an income (4XXXXX) or expense (5XXXXX) account, you will need to fill out the cost object in the column.

PK: Posting key identifies whether the line item is a debit or a credit. Enter "40" for debits and "50" for credits.

Amount: The dollar value/amount of the line item.

Cost Obj: A cost object can be a cost center, internal order, or WBS element.

Fnd Res Doc #: Funds reservation document number is used if the jv upload is relieving a funds reservation.

Fnd Res LI: Funds reservation line item is used if the jv upload is relieving a funds reservation. You can put the line item number in this column. Maximum of 3 characters.

Fnd Res Comp Ind: Completion indicator is used only if the entry will be the final item needed to relieve the funds reservation. Enter an "x" if appropriate.

Fund: Fund is required if using a balance sheet account.

Grant: Since the SA document may not be used to post to research grants, the "GRANT" column should always have a value of "GRANTNR," which stands for "GRANT NOT RELEVANT."

BA: the Business area is required if using a balance sheet account. Primary choices are 1CRC, 2MED, or 3NBL.

Item Text: Required text on line item entry. Maximum of 50 characters.

Assignment: The assignment field may be used as an additional reference text as needed by the department.

Ref #1: Reference number field may be used as an additional reference text as needed by the department.