THE UNIVERSITY OF NEW MEXICO

Fiscal Year End Close & Accruals 2010

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April 12 & 13, 2010

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YEAR END CLOSE – DIFFERENT FROM MONTH END CLOSE

Every month UNM closes the accounting books. How is our year end close different from a month end close?

At each month end, our goal is to provide departments with financial information for general business operations. The Operating Ledger is our primary focus.

At year end, our goal is to provide all relevant parties with accurate income, expense, and General Ledger information, so they can see how UNM performed over the preceding 12 months. We focus on both the Operating and General Ledgers. The goals of year end lead to an increased level of exactness in our financial records by ensuring proper cutoff of transactions. To obtain these results, we must perform additional tasks.

- Accurate Recording in the financial system of items owned or owed as of June 30th.
    - *Accrual Entries* – These are entries that record current year activity that has not been formalized with actual payment or revenue receipt. These entries record such things as large payments owed to vendors at year end, and revenue owed to us but not yet paid.
    - *Completion of invoices associated with Purchase orders*, including bid completion where new purchase requisition is greater than $20,000.
    - *Completion of invoices (DPIs),* so expenses are complete for the year.
    - *Annual adjustments*- entries for items that are done once a year, such as the catastrophic leave donation, annual leave accrual, endowment true-ups to market value, endowed spending index distributions, and inventory adjustments.

In order to accurately record our financial position as of June 30th, much interdepartmental coordination is required. Timing of the completion of various documents, their approval, and their posting becomes more important.

Locating and correcting any errors in the financial system is particularly important. In addition to the monthly index reconciliations that have occurred at the department level all year, a higher level review occurs, and unusual activity is examined in more detail.

This process takes more time than the typical three business days after month end. The fiscal year end, which ends on June 30th, is not closed until sometime near the middle of July. This leaves several weeks during which both the new fiscal year and the old fiscal year can receive postings. Keeping the postings in the correct year becomes an issue.

DEPARTMENT TIPS

MONTHLY RECONCILIATIONS

Reconcile your indices monthly.

At year end departments are expected to have all entries in their operating ledger reviewed and correcting entries made. This expectation will be much easier to meet if indices have been reconciled monthly, correcting any errors throughout the year. There are three LEARN Manuals currently available online that explain reconciliation techniques at UNM, and are available in the following locations along with slide presentations:

http://hsc.unm.edu/financialservices/accounting/learn.shtml,
http://www.unm.edu/~fssc/bannerbyte.html

KNOW YOUR INDICES

Be aware of the types of charges that belong on your index, and what additional year end charges you can expect.

The charges you can expect in your index can vary widely. They depend on the type of index you have, the department you are in, and even which side of campus you are on. Review the charges in your index, or a similar index from the prior year, and understand what they are. If you can anticipate the types of charges that are likely to hit at the last minute, you can avoid unpleasant surprises.

Some charges that may be posted to your index near the end of the year end close process are:

- Unallocated P-card charges
- Reallocated P-card charges that posted to an incorrect index
- Physical plant charges such as utilities, auto repairs
- Bookstore charges
- ITS (Telecom)charges for phone service, maintenance, and installation
- Annual Leave accrual
- Catastrophic Leave donation
- Transfers between funds

P-CARDS

Encourage your P-Card holders to reallocate their year end charges as soon as they are received.

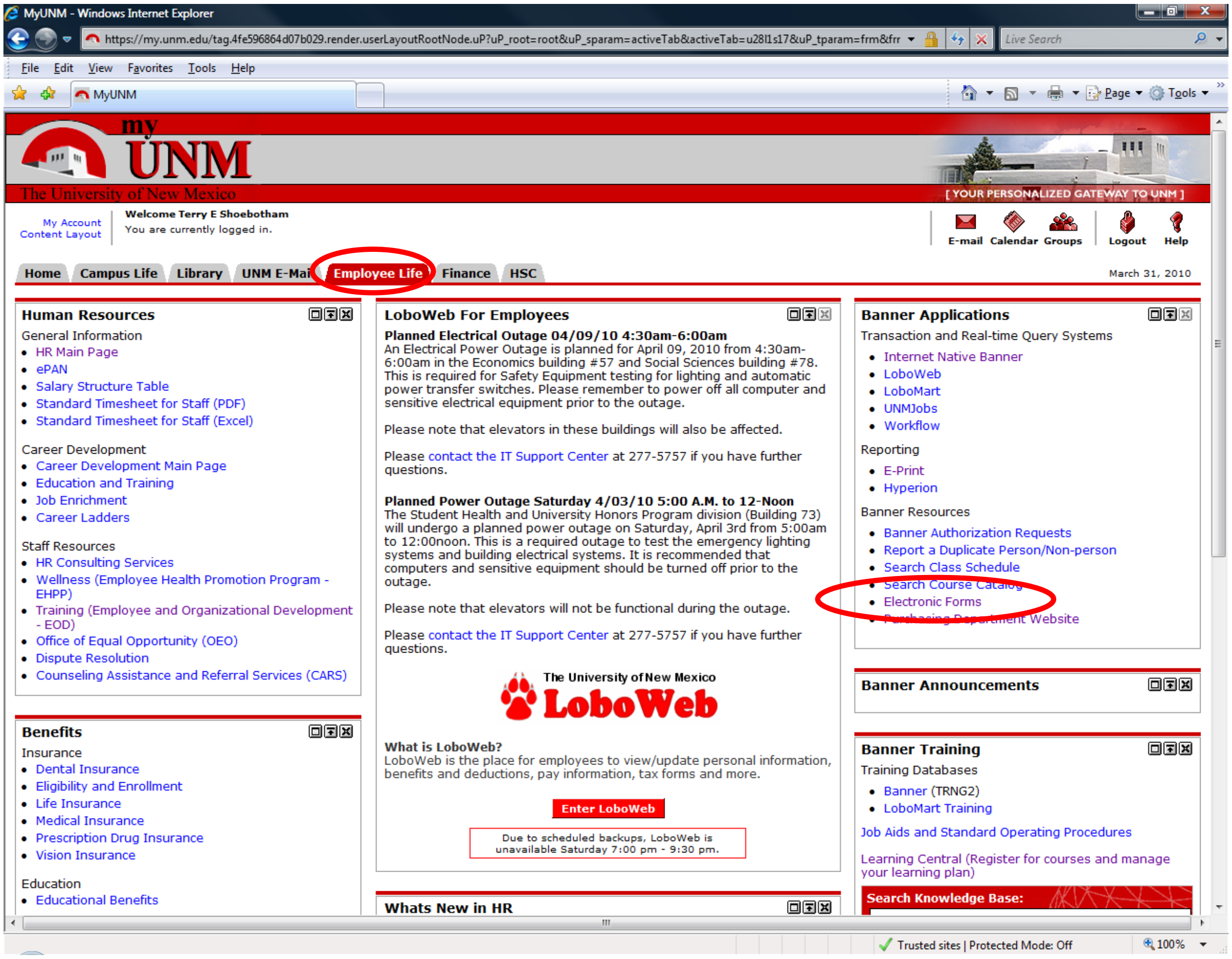
P-Card transactions are generally viewable within 3 days of the purchase. P-card holders have ten (10) days to review and, if necessary, reallocate the charges to a different index and/or account. If no action is taken within the ten (10) days, the charges will be automatically posted to the cardholder's default index and account.

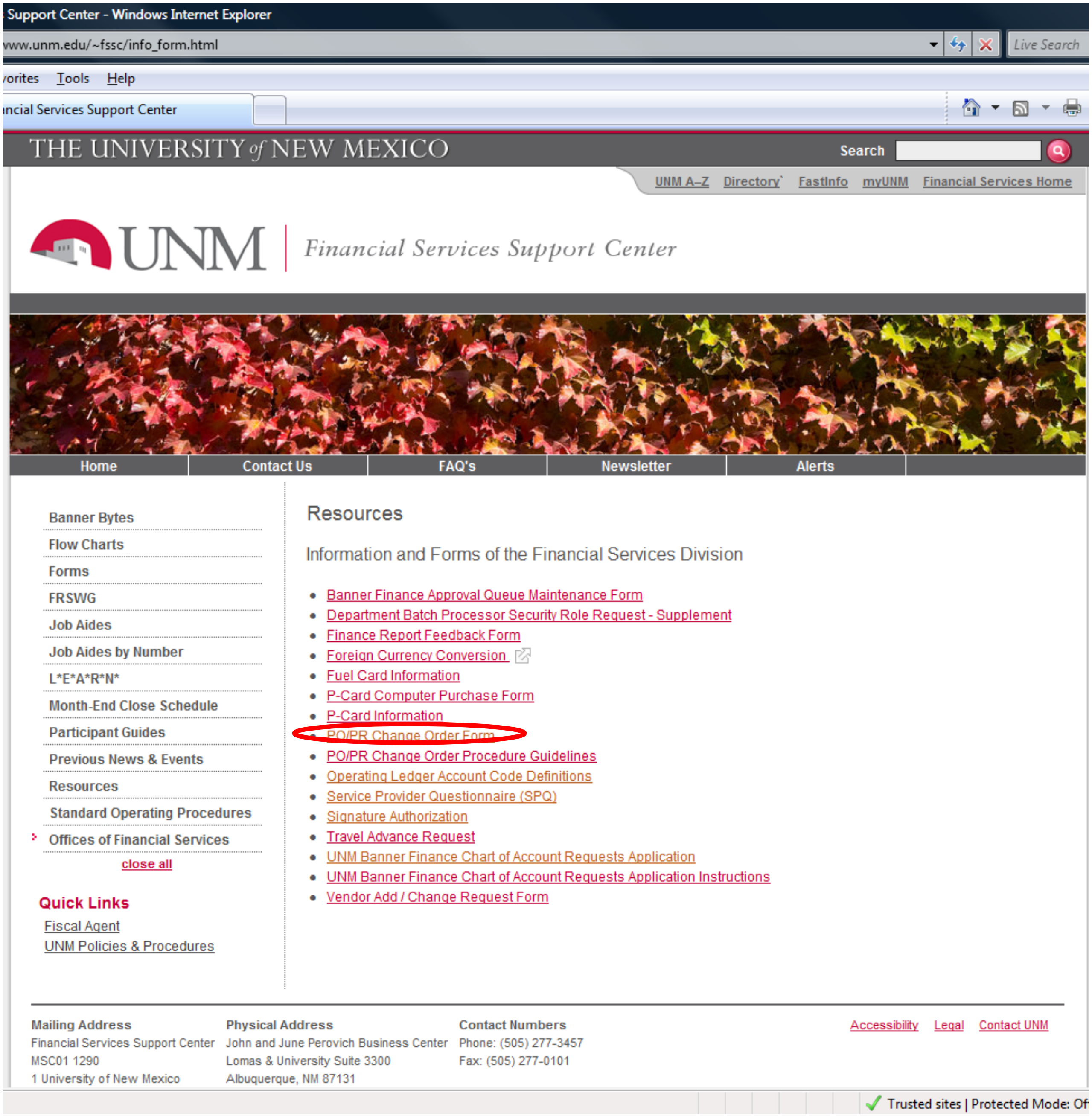
P-Card charges post during the night train process once the ten day period has past. Encourage your P-Card holders, especially at year end, to review their charges daily and change the feed date to the current date. This enables the charges to post immediately instead of waiting 10 days. Timely posting of these charges allows administrators more time for review.

HOW TO MANAGE PURCHASE ORDERS

When you set up a purchase requisition that becomes a purchase order and it is known that it will only be used once, you can avoid having the encumbrance carrying forward after your purchase by entering, "One Time Item" in the document text. Purchasing will close your purchase order after your item has been purchased.

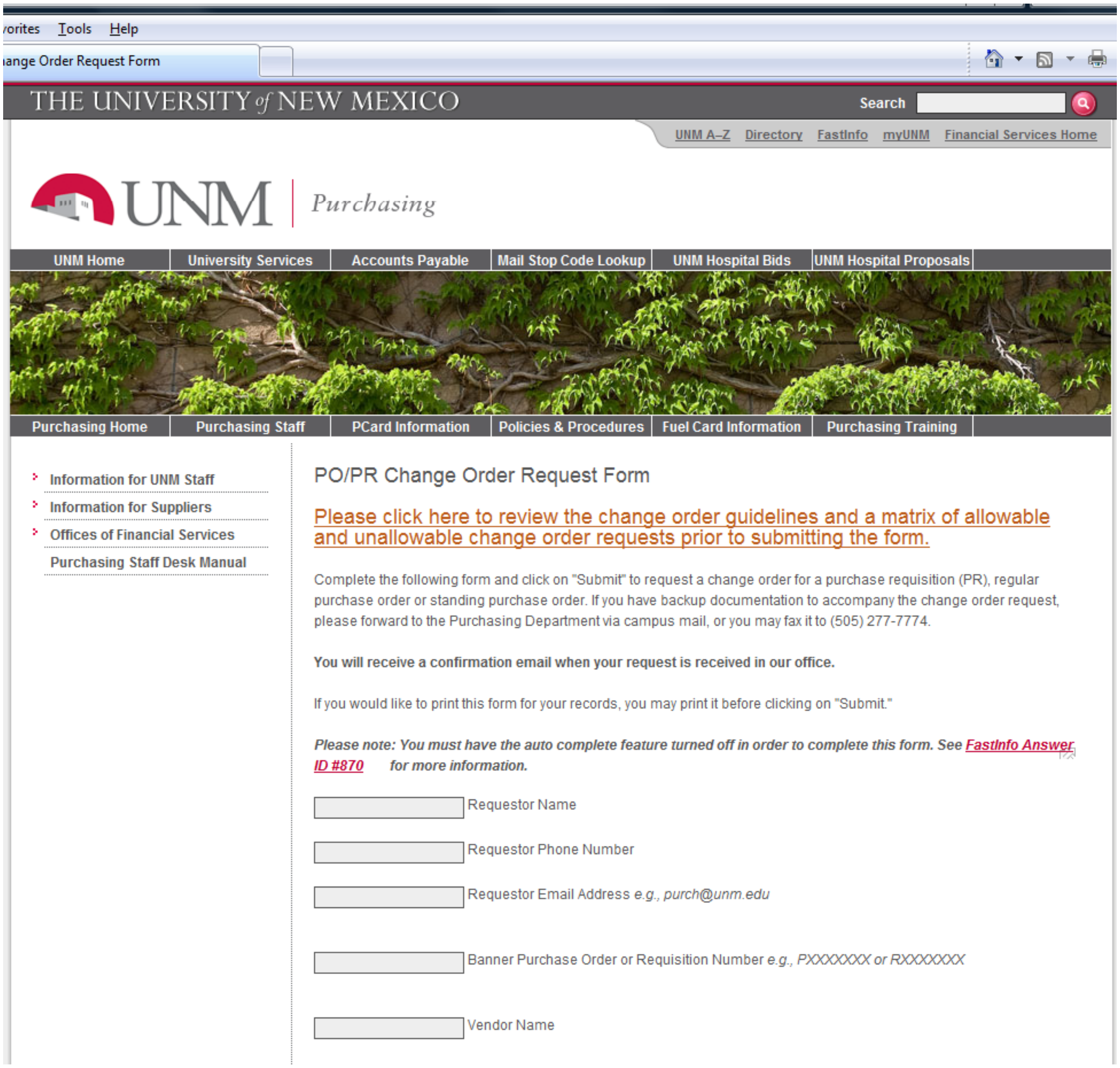
Many purchase orders are set up to be used for more than one purchase, with the dollar amount entered an estimate of the total anticipated purchases. If a balance remains on a purchase order that is no longer needed, the department must modify it to prevent the inaccurate encumbrances on the index. To do this, log into "MyUNM" (https://my.unm.edu/cp/home/displaylogin), go to the "Employee Life" tab and select "Electronic Forms".


MyUNM - Windows Internet Explorer
https://my.unm.edu/tag.4fe596864d07b029.render.userLayoutRootNode.uP?uP_root=root&uP_sparam=activeTab&activeTab=u28l1s17&uP_tparam=frm&frr
Live Search
File Edit View Favorites Tools Help
MyUNM
Page Tools
my UNM
The University of New Mexico
[YOUR PERSONALIZED GATEWAY TO UNM]
My Account
Content Layout
Welcome Terry E Shoebotham
You are currently logged in.
E-mail Calendar Groups Logout Help
Home Campus Life Library UNM E-Mai Employee Life Finance HSC
March 31, 2010
Human Resources
General Information
HR Main Page
ePAN
Salary Structure Table
Standard Timesheet for Staff (PDF)
Standard Timesheet for Staff (Excel)
Career Development
Career Development Main Page
Education and Training
Job Enrichment
Career Ladders
Staff Resources
HR Consulting Services
Wellness (Employee Health Promotion Program - EHPP)
Training (Employee and Organizational Development - EOD)
Office of Equal Opportunity (OEO)
Dispute Resolution
Counseling Assistance and Referral Services (CARS)
Benefits
Insurance
Dental Insurance
Eligibility and Enrollment
Life Insurance
Medical Insurance
Prescription Drug Insurance
Vision Insurance
Education
Educational Benefits
LoboWeb For Employees
Planned Electrical Outage 04/09/10 4:30am-6:00am
An Electrical Power Outage is planned for April 09, 2010 from 4:30am-6:00am in the Economics building #57 and Social Sciences building #78. This is required for Safety Equipment testing for lighting and automatic power transfer switches. Please remember to power off all computer and sensitive electrical equipment prior to the outage.
Please note that elevators in these buildings will also be affected.
Please contact the IT Support Center at 277-5757 if you have further questions.
Planned Power Outage Saturday 4/03/10 5:00 A.M. to 12-Noon
The Student Health and University Honors Program division (Building 73) will undergo a planned power outage on Saturday, April 3rd from 5:00am to 12:00noon. This is a required outage to test the emergency lighting systems and building electrical systems. It is recommended that computers and sensitive equipment should be turned off prior to the outage.
Please note that elevators will not be functional during the outage.
Please contact the IT Support Center at 277-5757 if you have further questions.
The University of New Mexico
LoboWeb
What is LoboWeb?
LoboWeb is the place for employees to view/update personal information, benefits and deductions, pay information, tax forms and more.
Enter LoboWeb
Due to scheduled backups, LoboWeb is unavailable Saturday 7:00 pm - 9:30 pm.
Whats New in HR
Banner Applications
Transaction and Real-time Query Systems
Internet Native Banner
LoboWeb
LoboMart
UNMJobs
Workflow
Reporting
E-Print
Hyperion
Banner Resources
Banner Authorization Requests
Report a Duplicate Person/Non-person
Search Class Schedule
Search Course Catalog
Electronic Forms
Purchasing Department Website
Banner Announcements
Banner Training
Training Databases
Banner (TRNG2)
LoboMart Training
Job Aids and Standard Operating Procedures
Learning Central (Register for courses and manage your learning plan)
Search Knowledge Base:
Trusted sites | Protected Mode: Off
100%



Then select the *PO/PR Change Order Form* and login again if prompted, using your UNM Net ID and password. Also available immediately below this form is a link to the *PO/PR Change Order Procedure Guidelines* posted on the Purchasing web site for change order procedures.

Complete the PO/PR Change Order Request Form, below. If the purchase order is no longer needed, you can select the "Cancel Purchase Order or Purchase Requisition" block beneath the Vendor Name (not shown). Purchasing will notify you when your request has been processed.



Purchasing does a year end Purchase Order closeout. If your purchase order has a balance of $100.00 or less at year end, it will be automatically closed by Purchasing. If your balance is larger, you must request action be taken to close the Purchase Order. To prevent funds from being needlessly encumbered, remember to close out unneeded Purchase Orders.

LEAVE ACCRUALS

Catastrophic Leave donations and Annual Leave accruals are done before the fiscal year end. To assist departments with calculating a close approximation of what the leave accrual for their departments will be, a worksheet is available on the HSC Unrestricted Accounting website under "Forms". A sample is provided in Appendix 5.

To use this worksheet, you will run Hyperion report FSH0002 for your department and export it to excel. From excel, you will copy a portion of it into this worksheet, and input the data needed for the yellow headed columns.

The funding column has a drop down menu, the other three require you to obtain additional information from other reports.

Catastrophic Leave donation expense is posted to be included in May Operating Ledger reports available in Hyperion. Annual Leave accruals are expected to be posted by the last day of June.

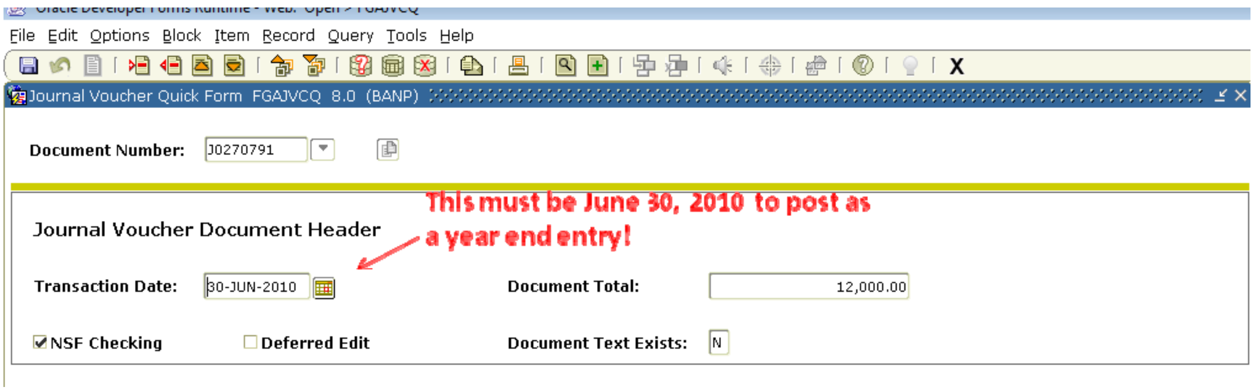
JOURNAL VOUCHERS, DP-EZ, REQUISITIONS

Departments are responsible for submitting and completing journal vouchers, DPI's and Purchase Requisitions within the timeframe given by the Year End Close schedule.

JOURNAL VOUCHERS

The Financial Services offices understand that departments require more time at year end to complete their final adjustments after reconciling their indices. This year departments will have until Tuesday, July 6th to enter, complete and approve all year end Journal Voucher entries.

The transaction date determines in which fiscal year the entries will post. It is particularly important to use "June 30, 2010", as the posting date for year end entries. When creating entries in July to post in Fiscal Year 2010, the initiator must change the transaction date to "30-JUN-2010" or use the calendar function to select June 30, 2010 for the transaction to post in Fiscal Year 2010; entries with a July posting date will post to fiscal year 2011.



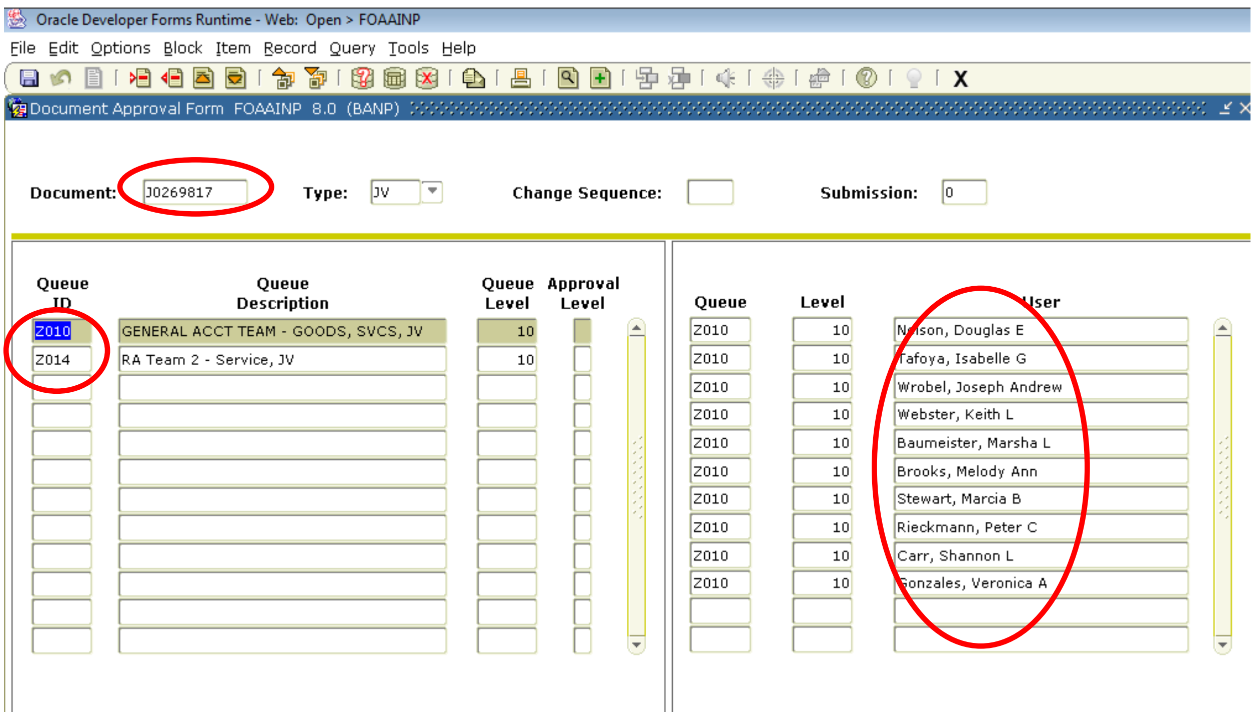
RE-DATING JOURNAL VOUCHERS

Many errors happen each year in this area. Be careful! If you do not remember to change the transaction date to 30-JUN-2010, your journal entry will post in 2011. This is the only time during the fiscal year when you need to remember to BACK DATE YOUR JOURNAL ENTRY, so it will post in the correct (prior year) timeframe.

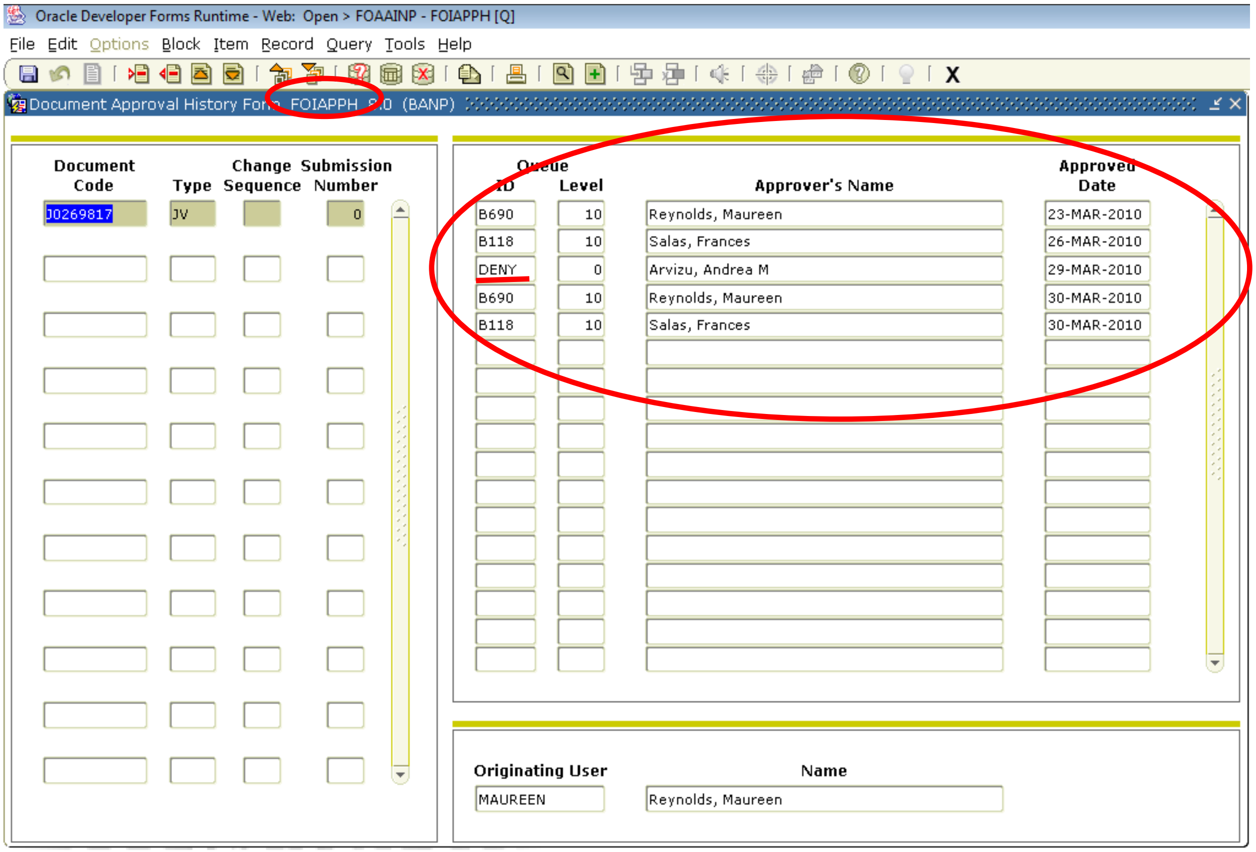
Once the July 6th deadline for Journal Vouchers has past, if you find a significant, material adjustment that you believe needs to be posted before year end close, please contact your Financial Services office for instructions as early as possible, and NO LATER than July 12th.

The routing of Banner documents (JVs, DPIs and Purchase Requisitions) and their current approval status can be tracked. From Banner form FOAAINP it can be determined how many queues remain in which must consider the document for approval. By highlighting each queue, the names of the potential approvers will be provided. Approval by any one person in each queue listed is still needed before the document will be posted.

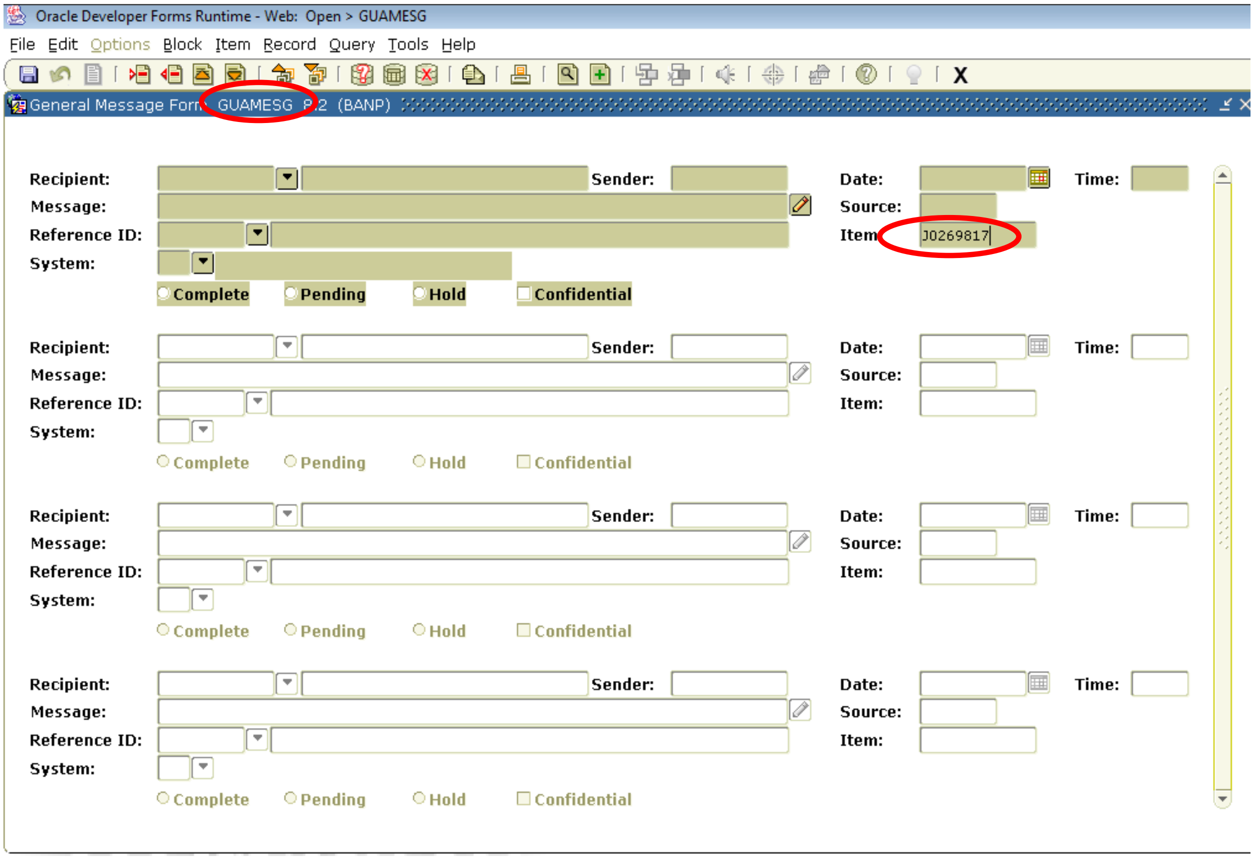
In the example below, there are two queues remaining in which the Journal Voucher must be approved. One is the general accounting queue, and the other is the core accounting office. Because the *general accounting team* line is highlighted, the ten general accounting approvers' names are listed.



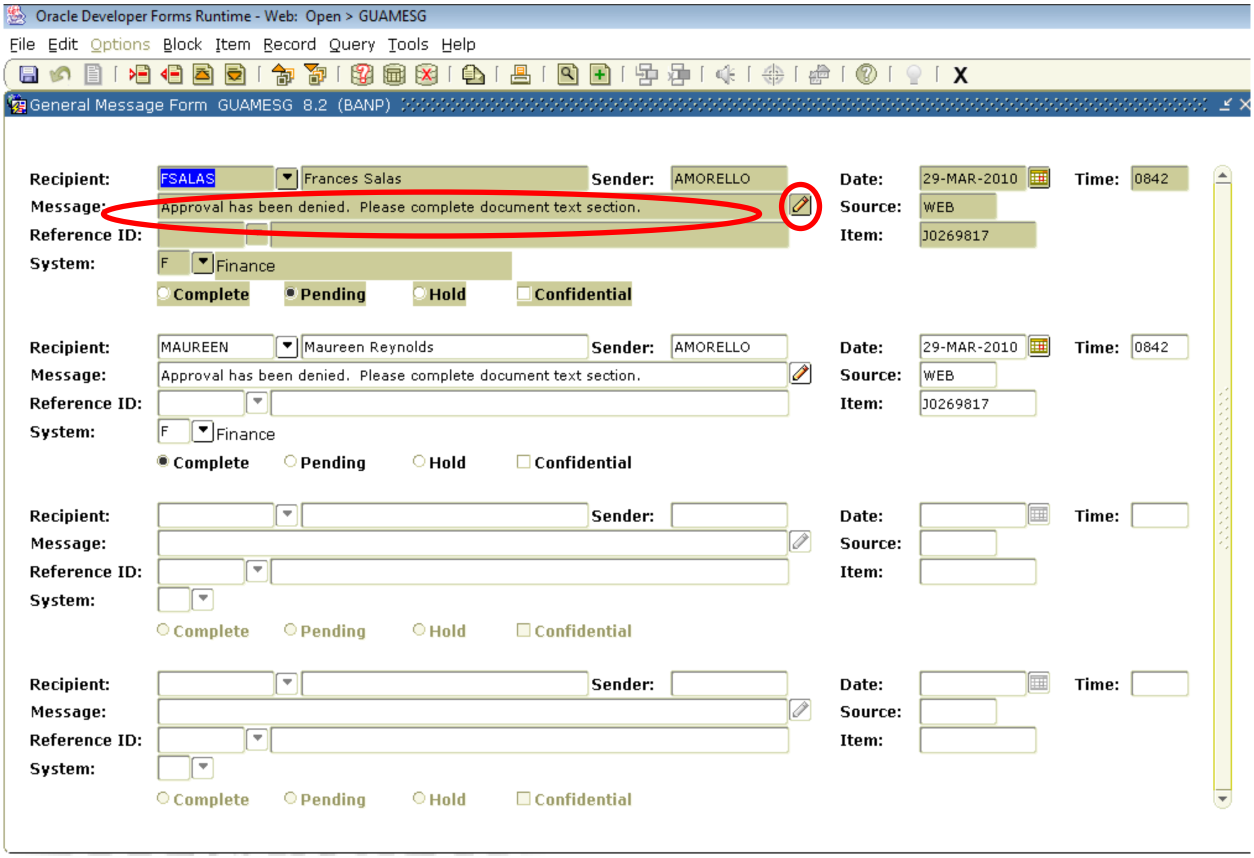
From form FOAAINP, you can see who has approved and/or denied your Journal Voucher. Go to "Options", and select "Approval History". The following form, FOIAPPH, will appear. From this form you can see that the document has been approved four times, and denied once.



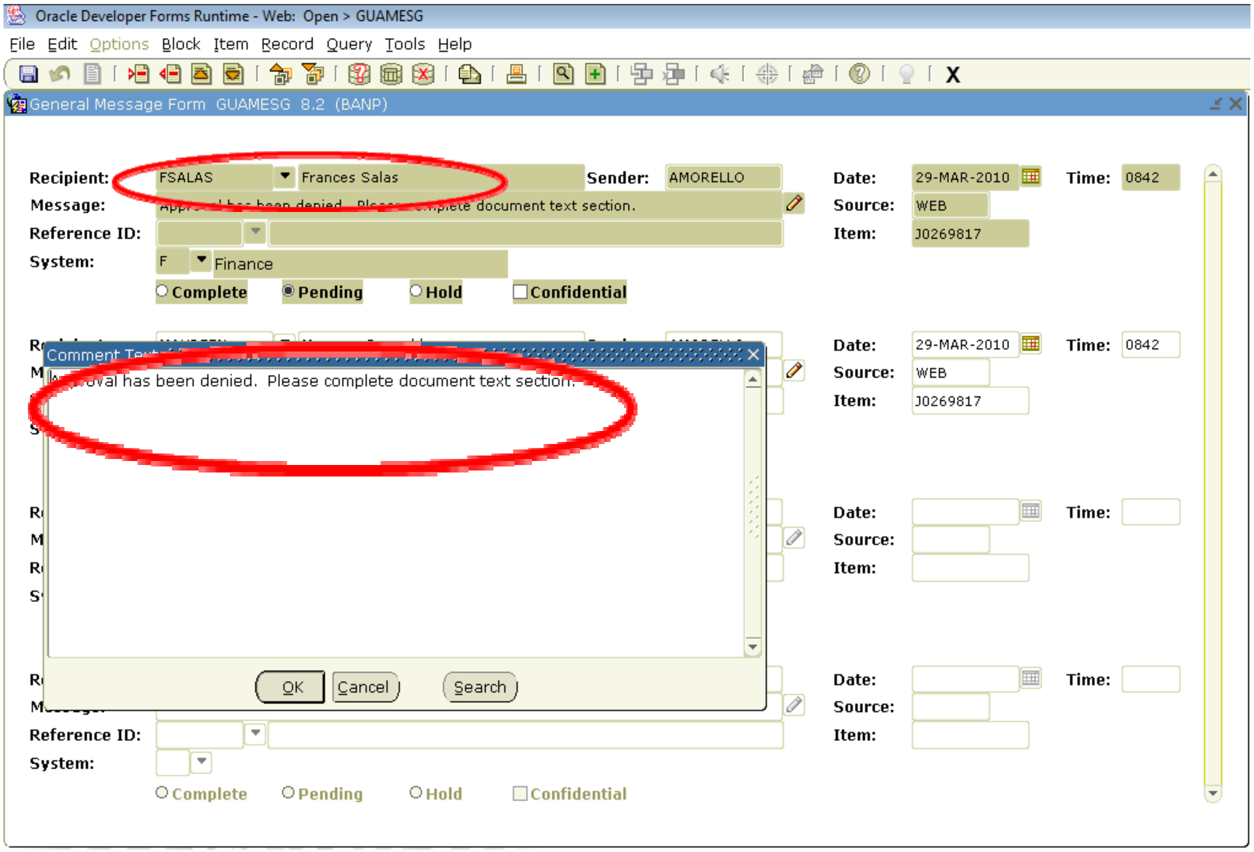
To see the disapproval reason given, go to form GUAMESG. First, enter the query mode by selecting "F7" or query icon. Enter the Journal Voucher number in the "item" area.



Query (F8) the form. The following information appears.



To see the entire document text, including the name and phone number of the person denying it, select the small pencil (circled above) on the right. The form below will appear. From this information you will receive information concerning why it was denied. If this information is insufficient for you to correct the Journal Voucher, call the person who denied it for additional clarification.



BIWEEKLY SALARY ACCRUAL

Biweekly salary accruals are manually calculated in the Unrestricted Accounting and Reporting unit at HSC. The accrual is based on the prior month's distribution of payroll expense for the number of days to post in the calendar month that is paid in the next period. No action is needed by departments. HSC Unrestricted Accounting will post the biweekly salary accrual for the period of June 19-30, 2010 and reverse the accrual when the actual expense is posted by Banner HR/Payroll.

This accrual will allow HSC departments to project what their expected salary expense will be at year end.

OTHER YEAR END INFORMATION

You will find the year end schedule posted at http://www.unm.edu/~fssc/ on the FSSC website. You will be notified by email when the year end schedule is modified.

YEAR END SCHEDULE CHANGES

The Year End Schedule deadlines are subject to change. When there are changes, you will be notified by email. You can then go to the posted schedule to see what the changes were. They will be clearly marked.

TASK NUMBERS ON YEAR END CLOSE SCHEDULE

Task numbers have been included on the year end schedule in the far left column. Only department specific items have been assigned task numbers as Financial Services offices' responsibilities frequently change based on process modifications and business needs.

PRELIMINARY BANNER TAX CALCULATIONS

Preliminary Banner Tax calculations will be processed on July 6th and again on July 13th, in order to provide departments with a close approximation of what the Banner Tax assessment will be in each index. The final assessment will occur just before year end close.

APPENDIX 1-LEAVE ACCRUAL WORKSHEET

This worksheet is posted in excel format at http://hsc.unm.edu/financialservices/accounting/Forms%20&%20Documents.shtml .

1. Run Report FSH0002 for your department
2. Export the file
3. Sort the Export file by Banner ID number or index
3. Copy the first 10 columns, through "Banner ID"
4. Paste the columns with your cursor at square A16
5. If you have more than 50 lines, you will need to:

A. Turn Protection off the sheet
B. Insert the lines, beginning with square A17
C. Copy squares K16 through V16 down until the
formulas have been copied to all inserted cells.
D. Turn Protection on the sheet

Input data in columns with a yellow header
Input Leave taken as a negative number

Annual Leave Accrual Projection
As of [insert date(ie: June 2005)]
[insert department name]
[insert department organization number]

		Index	Percentage Effort on Index	Funding**	Employee	Annual Leave Balance per Annual Leave Report	Annual Leave Taken in May Reported in June	AL Balance Remaining	Hourly Salary	Value of AL*	Annual Leave Accrual		Notes
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		0	0.00%	Other	0			0.00		0.00	-		Leave accrual not recorded in Department Index
		Total									0		

Note: By using the schedule, you can develop a close approximation of your Annual Leave Accrual before it posts for each of your indices.

*In accordance with Policy 3400 section 7.1, only 168 hours of accumulated annual leave are considered for accrual purposes.

Drop Down Menu:

**Funding Key		
	I&G	Instruction and General
	C&G	Restricted Contract/Grant
	ISC	Internal Service Center
	Other	Unrestricted, Non-Endowed or Endowed