

Wei Guo, CPA
Controller
Phone: (907) 450-8063
Fax: (907) 450-8071

209B Butrovich Building
2025 Yukon Drive
PO Box 756540
Fairbanks, AK 99775-6540

May 20, 2024

To: Luke Fulp, Julie Queen, Jonathan Lasinski, Ryan Buchholdt
From: Wei Guo, Controller
Re: Year-End Finance Closing Instructions

Please find FY24 year-end finance closing instructions at System Office Fund Accounting's website <https://www.alaska.edu/fund-accounting/>. The payroll close memo will be published by HR separately.

Please note the following items:

- x Finance closes on Friday, July 19 for FY24.
- x Travel processed in Concur is not encumbered. Travel expenses post in Banner after the Concur expense report is approved by the campus travel auditor (Concur processor role). To ensure that travel which took place in FY24 is posted to FY24, the Concur expense report must be approved through the campus travel auditor by July 19, 2024. Travel is considered FY24 activity when the first day of travel is prior to July 1, 2024. Expense reports where the first day of the travel is after June 30, 2024 will be posted to FY25. All expense reports approved by the campus travel auditor after July 19, 2024 will post against FY25.
- x Tuition Waiver reports are due to the Chief Financial Officer by September 6, 2024. Please refer to Regulation R05.10.080.
- x All documentation must be submitted in electronic format. Any documents containing bank account numbers, and other sensitive information, such as student ID, etc., should be transferred using a secured method, such as encrypted document or redacted.
- x Send backup documents for payments over \$200,000 issued from July 1 to August 31 to Statewide Fund Accounting every Monday for payments made in the prec

- x Construction work performed prior to June 30, yet billed after, should be recorded as accounts payable in FY24. See VII. All Funds, D. Accounts Payable.
- x All deposits per bank should be recorded. See VII. All Funds, A. Reconciliations, 1. Depository.
- x Guidance for capitalizable costs of buildings, infrastructure and other capitalizable assets is located at VII. All Funds, F. Capital Improvement Expenditures-Capitalized Costs.
- x Clear unidentified deposit account 0777 by the close of finance on July 19.

Please note the following dates:

- x FY24 cutoff for prior year (FY23) encumbrance (commitment type C) transactions is June 30 at 12 pm.
- x FY24 cutoff for journal vouchers is July 19.
- x FY24 deadline for entering/tagging fixed asset equipment is July 15.

Due dates included in this memo generally refer to when items are due to Statewide; Campuses may have different deadlines.

Please continue to review current year and prior year encumbrances to ensure active status and to avoid inadvertent lapse of funds. Also, examine the accounts payable open invoice reports and clear out any invalid items.

Thank you for your continued cooperation and assistance in helping close the university's fiscal year.

cc: Nichole Pittman, Julie Vigil, Tanya Hollis, Jason Theis, Carrie Couey, Uriah Nalikak, Vickie Gilligan, Amanda Wall, Brian deZeeuw, Kara Axx, Alesia Kruckenberg, Amanda Yauney, Kelly James, Jamie Heckman, Sarah Belmont

Fiscal Year-end Finance Closing Instructions

FY24

Contents

| | Page |
|---|------|
| I. Introduction & Contact Information | 1 |
| II. List of Significant Dates | 2 |
| III. Transmittal Forms | 4 |
| IV. A. System Schedule | 6 |
| B. Important Items | 6 |
| V. Auditors' Schedule..... | 6 |
| VI. Management Report Responses | |
| A. Subsequent to April 2024..... | 7 |
| VII. All Funds | |
| A. Reconciliations..... | 7 |
| B. Payroll | 9 |
| C. Journal Voucher Entry | 10 |
| D. Accounts Payable..... | 10 |
| E. Fixed Asset Equipment | 10 |

Fiscal Year-end Finance Closing Instructions

I. Introduction

These fiscal year-end finance closing instructions are provided to facilitate the closing of the university's books as of June 30 and to facilitate completing the external audit by mid-October.

Compliance with these instructions and specific cut-off dates is mandatory. If for any reason, full compliance with a year-end finance closing instruction is not possible, it is critical that this be communicated directly to Wei Guo, Controller, prior to the due date.

The transmittal form at Section III A, page 4, should be used for transmittal of all year-end data excluding the management report and payroll activity. The transmittal form at Section III B, page 5, is used for submission of inventory instructions sent to System Office Internal Audit.

Please note that throughout these instructions due date refers to the date documents should be received in Statewide Fund Accounting, or other appropriate department, as indicated.

Contact Information

Statewide Fund Accounting

ua-fund@alaska.edu

907-450-8063

Wei Guo

Controller

wguo@alaska.edu

907-450-8063

| <i>II.</i> | <i>List of Significant Dates</i> | <i>Page No</i> |
|-------------------|---|-----------------------|
| May 19 | Notify Internal Audit of dates of physical inventory | 14-16 |
| May 29 | Inventory instructions due at Internal Audit | 14-16 |
| May 29 | Continue reviewing encumbrances for validity | 17-18 |
| June 28 | Last day for prior year (commit type “C”) encumbrance transactions (| |

| <i>II.</i> | <i>List of Significant Dates</i> | <i>Page No</i> |
|-------------------|---|-----------------------|
| Aug 2 | Following items due in Statewide (earlier submission is appreciated): | |

III. A. Year-end Transmittal Form: *Please submit to Statewide Fund Accounting*

ua-fund@alaska.edu

ALL SUBMISSIONS MUST BE ELECTRONIC TO MEET AUDITOR'S REQUIREMENTS

(If you need assistance on how to encrypt or redact sensitive information call 907-450-8073)

The following are due in Statewide Fund Accounting by August 2 (earlier submission is appreciated).

| Mark X if Included | | Page No. |
|--------------------------|---|----------|
| <input type="checkbox"/> | Depository reconciliations | 7 |
| <input type="checkbox"/> | Reconciliation of balance sheet accounts (Attach list of account numbers) | 7 |
| <input type="checkbox"/> | Reconciliation for revenue/expenditure account codes | 8 |
| <input type="checkbox"/> | Petty cash and change funds report, Procedures C-04, C-05 | 12-13 |
| <input type="checkbox"/> | List of undelivered checks | 13 |
| <input type="checkbox"/> | Last check #s used - identify type – A/P or payroll hand pay | 13 |
| <input type="checkbox"/> | List of issued unrecorded checks | 13 |
| <input type="checkbox"/> | Reconciliation of allowance for doubtful accounts | 13, 23 |
| <input type="checkbox"/> | Inventory detail | 14-16 |
| <input type="checkbox"/> | Analysis of accounts payable | 16 |
| <input type="checkbox"/> | Year-end encumbrance list | 17-18 |
| <input type="checkbox"/> | Auxiliary reconciliations | 19 |
| <input type="checkbox"/> | Aged listing on restricted fund receivables | 19 |
| <input type="checkbox"/> | Loan Fund receivables Specify account # _____ | 22 |
| <input type="checkbox"/> | Loan Fund balance sheet account reconciliations (attach list of accounts) | 22 |

III. B. Year-end Transmittal Form

IV. A. System Schedule

The Banner Finance application is real time and does not require the system to be totally shut down to do processing.

The system's scheduled primary availability

A. Subsequent to April 2024

No formal management report response will be due for the month of June; however, units should be prepared to respond regarding their lapse or unrestricted fund balance status for FY24.

To assist in these responses and in the units' internal projections, campuses have the ability to run the "S Reports" (FGR2SRP). These reports can be run by a unit at any point in time. It is the units' responsibility to run, distribute and review these reports. Documentation on how to run the S Reports is available on the UA Financial Systems Website.

VII. All Funds

A. Reconciliations

1. Depository

All deposits per bank should be recorded. Depository reconciliations should not show any deposits that are unrecorded in the university accounting system at fiscal year-end. Reconciling deposits must be recorded on the university accounting system by journal voucher before July 19. The entry is:

| | | | |
|----|-----------------------------------|----------|----------|
| dr | Cash 0140-XDEP | x,xxx.xx | |
| cr | Unidentified Deposits 0777-XXXXXX | | x,xxx.xx |

The FY25 reversing journal voucher entry should be prepared at the same time.

The following must be sent to Statewide Fund Accounting by August 2:

- x Copy of the FY24 journal voucher and backup.
- x Copy of the FY25 reversing journal voucher entry.
- x Each unit must provide an explanation listing the deposits and where the receivable, if any, is recorded. The following groupings should be used: sponsored programs, auxiliary, and unrestricted. All Foundation deposits must be identified within the sponsored programs, auxiliary, and unrestricted groupings.

2. Balance Sheet

Each unit will be responsible for reconciling all of the balance sheet accounts for all funds which are administered by their campus with the exception of the excluded balance sheet accounts identified in procedure G-03 in the Statewide Accounting Manual <http://www.alaska.edu/controller/acct-admin-manual/acct-and-finance/G-03.pdf>. Reconciliations of all balance sheet accounts through July 19, FY24 are due in Statewide Fund Accounting August 2.

Any reconciling items between the detail list and the FGRGLTA must be clearly identified with supporting documentation attached. In general, follow the guidance of procedure G-03 plus the instructions given in sections VIII through X of this document.

3. Revenue/Expenditure

Due in Statewide Fund Accounting by August 2.

Four groups of required schedules are described below. These schedules assist in the preparation of the revenue and expenditure portion of the financial statements.

The total of each revenue/expenditure account code should agree to either the campus or unit total on the Banner Finance "M" series reports (FGR2MRP), as of July 19 for FY24.

Schedule 1

- a. Fund 1XXXXX, account code 9805 miscellaneous income
- b. Fund 1XXXXX, account code 9860 miscellaneous sales and rental revenue

This schedule should have the following columnar headings:

| <u>Org No</u> | <u>Org Title</u> | <u>Amount</u> | <u>Cumulative Nature of Revenue</u> |
|---------------|------------------|---------------|---|
|---------------|------------------|---------------|---|

The organization (org) number referred to is the lowest level org code. Please provide a description of the nature of the revenue for each org code. 'Other' or 'miscellaneous' is sufficient explanation of the nature of revenue when the dollar amount is less than \$5,000. Additional information may be requested if necessary.

Schedule 2

- a. All unrestricted funds, account code 9410 thru 9475

The purpose of this schedule is to review account codes 9410 thru 9475 in the unrestricted funds to determine if any amounts should be recorded as gift revenue, i.e. recorded in 9478, 9480 or 9485. Please list only the amounts that should be shown as gifts. For additional guidance please email ua-fund@alaska.edu.

| <u>Fund No</u> | <u>Org No</u> | <u>Amount</u> | <u>Comments</u> |
|--------------------|-------------------|---------------|-----------------|
|--------------------|-------------------|---------------|-----------------|

Schedule 3

- a. All funds except 6XXXXX, account code 8341 interest expenditures
- b. All funds except 6XXXXX, account code 8342 retirement of indebtedness

These account codes are used exclusively with fund 6XXXXX for debt service and no entries belong in these account codes in other funds. If any items remain uncorrected after July 19, identify these items so that proper consideration can be made in the financial statement preparation. These schedules, if any, have the following columnar headings:

Journal Vouchers with supporting documents must be sent to Statewide Fund Accounting for approval and process.

D. Accounts Payable

Due for payment in regional offices by July 19, original billings should be submitted through regular procedures.

Billings for services performed on or before June 30 must be approved for payment and processed through regular channels by July 19 to be recorded in FY24. It may be necessary to make advance arrangements with the vendors to ensure timely billings. It is preferred that the billings be through June 30, although it is possible to prorate bills that straddle both fiscal years.

In the situation where no billing has been received from the vendor, but the cost of goods and/or services provided prior to June 30 is estimated to be greater than \$200,000, an estimated accounts payable should be forwarded to Statewide Fund Accounting. Such estimates shall be summarized as shown below:

1. Name of Vendor
2. Org, Acct, Fund
3. PO#
4. Estimated Payable

Documentation for Unrecorded Liabilities:

Payments issued from July 1 through August 31 for \$200,000 and greater, from funds 1, 2, 3 and 5, will require backup documentation, showing dates of service, to be sent to Statewide Fund Accounting every Monday for payments made in the preceding week.

E. Fixed Asset Equipment

All capitalized equipment (items costing \$5,000 or more) that was received, or the university had title to, in FY24 must be tagged and entered in the fixed asset module by July 15.

F. Capital Improvement Expenditures—Capitalized Costs

1. Fund 5xxxxx, Unrestricted and Restricted Fund Schedules

Fund 5xxxxx Schedules

On June 12, Statewide Fund Accounting will forward fund 5xxxxx capital improvement schedules including expenditure data to each campus' design and construction offices. Response schedules are due in Statewide Fund Accounting July 7.

Unrestricted and Restricted Fund Schedules

On July 16, Statewide Fund Accounting will forward unrestricted and restricted capital improvement schedules including expenditure data to each campus' design

and construction offices. Response schedules are due in Statewide Fund

account and prepare an adjustment if the variable is in excess of \$2,000. If you do have to adjust the account, it is preferred that you make the adjustment so that the allowance for doubtful accounts is rounded to the nearest thousand. Additional guidance may be obtained from Statewide Fund Accounting. This adjustment is to be entered in FY24 by July 19.

C. Travel

Travel processed in Concur is not encumbered. Travel expenses post in Banner after the Concur expense report is approved by the campus travel auditor (Concur processor role). To ensure that travel which took place in FY24 is posted to FY24, the Concur expense report must be approved through the campus travel auditor by July 19, 2024. Travel is considered FY24 activity when the first day of travel is prior to July 1, 2024. Expense reports where the first day of the travel is after June 30, 2024 will be posted to FY25. All expense reports approved by the campus travel auditor after July 19, 2024 will post against FY25.

D. Inventory

Accounts payable are unpaid obligations at June 30 for goods received and/or services performed on or prior to June 30, including all utilities (phones and fuel) even though the statement or invoice for such services may be dated July 1, or subsequent. Summarize payables relating to all funds for inclusion in the year-end closing. Review the Open Payable Report as of the close of June (July 19) and provide to Statewide Fund Accounting a reconciliation of the payables. If payables are correct as listed on the Open Payable Report, submit a statement saying the review has been completed and the report is correct. This is due in Statewide Fund Accounting by August 2.

See Appendix A for information on canceled checks.

Adjustments can be made to encumbrances and accounts payable for all funds from July 1 through July 19 for FY24.

After July 19, do not use June 30 as a transaction date.

F. Encumbrances

1. Overview:

The state permits the university to carry-forward funding to the next fiscal year to cover the cost of its encumbrances (outstanding commitments). An encumbrance is defined as the legal commitment of funds for the purchase of goods and/or services which were ordered prior to June 30, but which had not been actually received at June 30. Different state rules apply for Requests for Proposals (RFP) and Information for Bids (IFB).

The FY24 operating budget will be increased for encumbrances. It is important that the university is in compliance with stated rules and regulations and provides proof in the audit trail that it has done so. For this reason FY24 purchase orders (not included as legitimate exceptions) are not to be issued after June 30, 2024 or backdated. The audit trail for the exceptions is outlined below.

2. Important review steps to reduce lapse and for correct reporting.

a. Delete all inva.l-1.15i4-0lpor0y0 0 TD.000-4 Tc.044audiT6 1 Tfubleltkda

Amounts owed by one segment of the university to another or one fund group (restricted or unrestricted, etc.) to another fund group are not legitimate payables

'D' Invoice from vendor not received in a timely manner. Goods have

3. Credit memos - are not recorded by journal voucher. Credit memos relating to goods received by June 30 should be recorded into accounts payable form (FAAINVE) using a transaction date of June 30. Any date can be used for the credit memo invoice.
4. Deferred Revenue - housing system receipts collected in advance for July 2024 or later should be recorded as deferred revenue as of June 30, 2024. Complete a listing of the amounts received prior to June 30 for future periods. The listing should include the payer's name, unit rented, months paid in advance and amount received. The total deferred rent should be recorded to account 0760 - 19XXXX.

IX. Restricted Funds

A. Receivables

1. Aged listing of manually booked receivables is due in Statewide Fund Accounting on August 2.

The aged listing of all manually booked receivables should include identifying fund number, amounts and aging as per outstanding billings.

2. Reconciliation of allowance for doubtful accounts is due in Statewide Fund Accounting on August 2.

A reconciliation of any allowances for doubtful accounts is required and must include a summary of methodology used and backup to support the calculation. The specific identification method is recommended for restricted fund receivables. See also guidance given for unrestricted fund allowance for doubtful accounts in section VIII B 2.

B. Analysis of Debit Fund Balances

The time period for applying adjustments to restricted funds for purposes of recording manual overhead, corrections, or administrative expenditures of federal financial aid programs ends July 19. Any unit not able to enter all adjustments should contact Statewide Fund Accounting for assistance before completing the analysis of debit fund balances.

1. Analysis of debit fund balances and journal entries to record related receivables and revenues should be completed and entered by unit prior to July 19.

To aid in this analysis, prepare a schedule using the June fund-balance report, showing the following headings. The analysis is for all funds with negative ending fund balances only.

| <u>Fund No</u> | <u>Title</u> | Ending Balance <u>XXX(1)</u> | Billed <u>(2)</u> | Unbilled <u>(3)</u> | Unbillable <u>(4)</u> | <u>Comments</u> |
|----------------|--------------|------------------------------------|----------------------|------------------------|--------------------------|-----------------|
|----------------|--------------|------------------------------------|----------------------|------------------------|--------------------------|-----------------|

- (1) Use the June balances (negative balances) as of July 19, or an earlier date when you know all restricted fund entries have been posted.
- (2) Amount billed as of June 30, does not include billings prepared after June 30. Add comments for any amounts over 90 days old.

The budget roll process occurs once on July 20. This rolls available balances into FY25.

31 - 60 days past due
61 - 90 days past due
91 - 120 days past due
Over 120 days past due

If the receivables report does not agr

APPENDIX A

Operating in the Previous Fiscal Year Prior to the Roll

There is no special function or accesses needed to perform current fiscal year and prior fiscal year processing. Anyone who can enter a transaction type in the current fiscal year can enter that transaction type in the prior fiscal year. The key to processing in the proper fiscal year is the transaction date. This is true if you are doing a requisition, manual encumbrance, purchase order, invoice, canceled check, journal voucher, or budget entry. There is no fund type restriction on processing prior fiscal year activity.

Year-end closing is done by three major processes: the general ledger roll, encumbrance roll and budget roll.

General Ledger Roll

Until 5:00 PM on July 19, end users can work in both fiscal years. As stated before, the key to recording items in the correct year is the *transaction date*. The transaction date will default to the current date for every transaction. The user must clear the field and enter June 30, 2024 when they are trying to affect FY24.

On July 20 the general ledger roll will be performed. This job sets up the application to handle the old fiscal year as the accrual cycle and places beginning balances into the new fiscal year. Once this job is processed the system will update the ledgers appropriately.

If, for example, there is a charge for FY24, the system will record the charge in FY24 and automatically update the fund balance for FY24.

If the charge is for FY25, the system will only update FY25.

The temporary unrestricted budgets that were established in May will be reversed on June 30. If budget is not entered by then, users will get the NSF message on the items they are trying to process.

Follow your campus deadlines for requisitioning. It is critical to abide by them in order to allow the procurement offices time to change the requisition into a purchase order. All FY24 requisitions must be deleted before the encumbrance roll process. **This must be done by the users or the campus representatives before July 19.** If any requisition that was deleted needs a purchase order, that requisition will need to be reentered by the department.

Invoicing can be done against FY24 by using a transaction date of June 30. This should be done for all items received on FY24 purchase orders, prior to the encumbrance roll. Invoicing can also be done against FY25 by using a transaction date in July. This should be done for all items received on FY25 purchase orders.

Checks that are printed in July will be reflected in FY25, with a debit to accounts payable control and a credit to the bank account. Checks issued prior to July 1 can be cancelled (voided) against FY24 by using the check cancel date of June 30.

If an FY24 check is to be **canceled and not reissued**, go to the cancel check form (FAACHKS) for processing. Enter cancel date as June 30, cancel check as Y and re-establish payable as N. This can be done until July 19.

If an FY24 check is to be **canceled and a reissue will be done**, go to the cancel check form (FAACHKS) for processing. Enter cancel date as June 30, cancel check as Y and reestablish payable as Y. This can be done until July 19.

Encumbrance Roll

Closing of purchase orders and manual encumbrances for FY24 should be done in the normal fashion, but using the June date.

On July 20 the encumbrance roll process will be done. **Prior to this process all FY24 requisitions that have not been converted to purchase orders will be deleted.** It will also roll encumbrances (both manual and purchase orders) into the new fiscal year. Depending on the fund type, the system will either set the record with a commit type of 'C' (committed) and tracked for lapse purposes or 'U' (uncommitted) and not tracked for lapse purposes.

Once the encumbrance roll is done, **no encumbrances can be entered against the old fiscal year.**

Units are not to do entries against FY24 after 5:00 PM on July 19.

Budget Roll

On July 20 the budget roll process will be done. This will roll the available balances for the appropriate funds. This will roll both revenue and expense budgets. If any transactions are manually entered to these funds in the accrual cycle after the budget roll, manual budget adjustments to FY24 will have to be performed. After this process is completed no activity against funds that are project related can be done in FY24.

APPENDIX B

STUDENT LOAN RECEIVABLES RECONCILIATION FORMAT

**STUDENT LOAN RECEIVABLES
RECONCILIATION**

June 30, 2024

June 30, 2024 – June close (July 19) (Report FGRGLTA)

Reconciling items:

| | |
|--|--------------|
| 1. Loan receivables (disbursements) Not booked but appear on detail listing | X |
| 2. FY24 loan payment received after June 30, 2024 cash receipts cutoff date | X |
| 3. Other (provide detail and explanation) | <u>(X)</u> |
| June 30, 2024 adjusted balance | <u>X</u> (1) |

(1) Should agree with the manual detail listing of student loans receivable as of June 30, 2024 and the accrual cycle FGRGLTA.

NOTE: Any required adjustments to balances (from 1, 2, or 3) must be made by journal voucher prior to July 19, 2024.

