Year End Close Information Session
FY 2018

April/May 2018
Year End Topics

- Overview
- Balances
- Journals
- Labor Accounting
- Buy & Pay/ Travel & Expense
- Wrap-Up
Year End Close Overview
This year’s close processes will be consistent with last year.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Description/Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance &amp; Treasury Website</td>
<td><a href="https://prime.princeton.edu/">How To &gt; Financial Management &gt; Year End Close 2018</a></td>
</tr>
<tr>
<td>Prime Portal</td>
<td><a href="https://prime.princeton.edu/">https://prime.princeton.edu/</a></td>
</tr>
<tr>
<td></td>
<td>• Calendar – key year end close dates</td>
</tr>
<tr>
<td></td>
<td>• Prime Portal News – all reminders and news items</td>
</tr>
<tr>
<td>Year End Information Sessions</td>
<td>Sign up via the <a href="https://prime.princeton.edu/">Employee Learning Center</a></td>
</tr>
<tr>
<td>RSS News feed</td>
<td>Sent with information on all Prime Portal News items</td>
</tr>
<tr>
<td></td>
<td>• Logon to the Prime Portal to register</td>
</tr>
<tr>
<td>Financial Service Center</td>
<td><a href="mailto:finance@princeton.edu">finance@princeton.edu</a>; (609)258-3080</td>
</tr>
</tbody>
</table>

F&T may reach out to departments regarding specific cleanup needs.
Year End Close Landing Page

Office of Finance & Treasury

Home › How To › Financial Management › Year End Close 2018

Year End Close 2018
LAST UPDATED: MARCH 30, 2018

What You Should Know

FURTHER READING

Year End Close Calendar & Information Sessions
Balances and Funds
General Fund (A0000) and Institutional Expense Fund (A0018)
Buy & Pay/Travel & Expense
Journals
Year End Accruals
Labor Accounting
Sponsored Research
# Year End Close Calendar – Key Dates

<table>
<thead>
<tr>
<th>April/May</th>
<th>- Review and cleanup</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Close</strong></td>
<td></td>
</tr>
<tr>
<td>June 15 (Fri)</td>
<td>- Final Labor Accounting Transfer Forms due for FY17 labor</td>
</tr>
<tr>
<td>June 21 (Thu)</td>
<td>- Send special YE spreadsheet journals to <a href="mailto:journals@princeton.edu">journals@princeton.edu</a></td>
</tr>
<tr>
<td>June 22 (Fri)</td>
<td>- Substantiate and approve expense reports and purchasing card statements</td>
</tr>
<tr>
<td></td>
<td>- Approve non-PO payment requests</td>
</tr>
<tr>
<td></td>
<td>- Send invoices to <a href="mailto:invoices@princeton.edu">invoices@princeton.edu</a></td>
</tr>
<tr>
<td>June 27 (Wed)</td>
<td>- Deposits received at Financial Service Center</td>
</tr>
<tr>
<td><strong>June 29 (Fri)</strong></td>
<td>- Last day to enter June dated Prime Journals</td>
</tr>
<tr>
<td></td>
<td>- Last day to enter PO receipts for accrual in FY18</td>
</tr>
<tr>
<td></td>
<td>- Final Labor Accounting Transfer Forms due for FY18 labor</td>
</tr>
</tbody>
</table>
Year End Close Calendar – Key Dates

**July 1 (Sun)**
- Prime Financials is not available
- Financial Reports (Information Warehouse), Concur, Labor Accounting, and Prime Marketplace will be fully accessible

**July 2 (Mon)**
- Prime Financials open for FY19 activity

**July 5 (Thu)**
- Last day for departmental accruals (non-receipt)
- Last day for Late June Corrections spreadsheet journals

**July 6 (Fri)**
- **End of 1st Close**

**July 10 (Tues)**
- Last day for Labor Accounting distribution changes entered & approved *(noon)*

**July 11-12**
- Labor Accounting is not available after 6:00am Wednesday through end of day Thursday

**July 13 (Fri)**
- **End of 2nd Close**
  Labor Accounting available at 8:00 am

**July 24 (Tues)**
- **Financial Reports is not available in the Information Warehouse**

**July 25 (Wed)**
- **End of 3rd Close – Final Close** – Information Warehouse Reports will say “Closed”
- FY19 beginning balances will appear on Information Warehouse Rpts
Balances
Managing Funds and Balances

(1) Receive Funds & Review Restrictions
(2) Expend Funds
(3) Review Balances
(4) Assess & Address

Fund Restrictions Are Met
Fund Restrictions Not Met
Positive Balance
Negative Balance
Additional Revenue Anticipated
No Anticipated Revenue
Expense may be charged to Fund
Expense must be charged to a different Fund
Expense may stay on Fund
Expense may stay on Fund; Roll negative balance forward
Expense must be moved to another Fund

Whether positive or negative, FY18 ending unencumbered balances will become FY19 beginning balances for all Funds except A0000, A0018 & Sponsored Research G-Funds. FY19 beginning balances will not be visible on warehouse reports until after Final Close (July 25th).
Fund Stewardship - Best Practices for Fund Management

• Know your Funds
  • Knowledge of the balances and restrictions on your department’s Funds will help you plan ahead.
  • When an expense meets multiple funds’ restrictions, spend the most restricted monies first. This will help ensure the less restricted money is available for a variety of expenses at a later date.
  • When restrictions are met, be sure to spend your Endowment (E) & Expendable Gift (B) Fund money first. This will help ensure Development can report back that donor money is needed and being utilized.

• Communicate with your Department
  • Since we rely on the Departments for stewardship of restricted funds, this responsibility and accountability should be shared across Department staff.
  • Buyers should know restrictions and availability. It is best to charge an expense to the right place the first time!

Review Financial Report Fund Restriction/Designation by Chartstring for specific Endowment (E) and Expendable Gift (B) Fund restrictions.
**Review Balances – Use Reports**

The **Spendable Balance** report should be your first stop in reviewing departmental balances. We’ve made enhancements to the report since last fiscal year to make financial review even easier.

**Recommended Customize Output Appearance Prompts for Efficient Review:**

<table>
<thead>
<tr>
<th>First Column</th>
<th>Display Spendable Balance</th>
<th>Display</th>
<th>Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department</td>
<td>Greater than Zero</td>
<td>All Three Columns</td>
<td>Funds with an overall negative spendable balance. These may be unexpected transactions (typos) or overspending that needs to be investigated and corrected.</td>
</tr>
<tr>
<td>Fund</td>
<td>Equal to Zero</td>
<td>First Column Only</td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>Less than Zero</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td>Greater than Zero</td>
<td>All Three Columns</td>
<td>Chartstrings with zero or positive spendable balances, sorted by Fund. Review Funds that have zero expenses, these may be incoming Assignments on restricted Funds. Review restrictions on Fund Restriction by Chartstring report, and expend accordingly.</td>
</tr>
<tr>
<td>Fund</td>
<td>Equal to Zero</td>
<td>First Column Only</td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>Less than Zero</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td>Greater than Zero</td>
<td>All Three Columns</td>
<td>All chartstrings in your organization, sorted by Department. Review the overall health of your organization. Check that balances are reasonable to expectations. Investigate negative spendable balances.</td>
</tr>
<tr>
<td>Fund</td>
<td>Equal to Zero</td>
<td>First Column Only</td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>Less than Zero</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td>Greater than Zero</td>
<td>All Three Columns</td>
<td>Spendable balance by Program. If your practice is to use Programs to track activities, review that revenue and expense amounts are reasonable to expectations. Investigate negative spendable balances.</td>
</tr>
<tr>
<td>Fund</td>
<td>Equal to Zero</td>
<td>First Column Only</td>
<td></td>
</tr>
<tr>
<td>Program</td>
<td>Less than Zero</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Review Balances – Use Reports

• Once chartstrings have been identified for further investigation, drill from the Spendable Balance report to detail reports such as **Ledger Detail**, and **Revenue and Expense**.

• **Fund Restrictions** – Run Fund Restriction/Designation by Assigned Chartstring Balance to review restrictions.

• **Monthly Actuals** – This report shows month-over-month financial activity by chartstring along with YTD totals for the selected, and two prior fiscal years. It is a valuable tool for financial reconciliation as well as trend analysis.

• **Revenue and Expense** – Run to review Account and/or Account Category balances. Review Funds A0000/A0018 budget vs. actual balances.

There is an [Understanding Accounting Signs Reference Guide](#) which illustrates how revenues and expenses are displayed on summary reports vs. transaction detail reports.
Journals
Journals for YE Close

• **Prime Journals**: For YE close we anticipate Cost Transfer/Correction Journals and Standard Journals will most frequently be used, but there may be circumstances where Assignment and Transfer Journals are needed. June 29th is the last day to enter FY18 Prime Journals. They must be fully approved by July 3rd.

• **YE Close Spreadsheet Journal**: A special YE Close Spreadsheet Journal excel template is available for high volume clean-up. This option is available for a limited time, completed spreadsheets are due by June 21st.

• **Late-June Corrections and Adjustments**: Given that certain expenses (including Departmental Charges) can post up through June 30th, and given that is the same cut-off date for entering Prime Journals (including Cost Transfer/Corrections), late June transaction corrections will be allowed to be made via the YE Close Spreadsheet Journal up through July 5th.
YE Close Spreadsheet Journal

• To assist with clean up for FY2018 year end close, we have enabled the use of a simple Year End Close Spreadsheet Journal excel template to correct a large volume of transactions at once.

• To request access to the Year End Close Spreadsheet Journal excel template, email the Controller’s Office at journals@princeton.edu.

• Complete guidelines for using the Year End Close Spreadsheet Journal can be found at: How To>Financial Management>Year End Close 2018>Journals

• For routing and review purposes, separate spreadsheets are required for sponsored research projects, fund transfers and fund assignments.

• The deadline to submit spreadsheet journals that meet the criteria is Thursday June 21st.

Reminder, any corrections or adjustments related to personnel expense accounts must be made in Labor Accounting, Time Collection or via the Labor Accounting Cost Transfer Request Form.
YE Close Spreadsheet Journal for Sponsored Research

• **YE Close Spreadsheet Journals for Sponsored Project and Cost Share Corrections** - A separate spreadsheet journal must be prepared for sponsored project and cost share corrections and sent to sra@princeton.edu for validation and submission.

• **Documentation Requirements for Journals transfer to Fund G0001 Only** - Departments must always provide a copy of the Sponsored Project Detail Report (FIN050) highlighting all transactions being transferred to Fund G0001. Cost transfers requested more than 90 days after the end of the month in which the cost was originally incurred require a Cost Transfer Justification Form signed by the PI.

• **Prescribed Format for the Description Field** - see the Sponsored Research section of the year end close website for details.
YE Close Spreadsheet Journal for Late-June Corrections and Adjustments

- Given that certain expenses (including Departmental Charges) can post up through June 30th, and given that is the same cut-off date for entering Prime Journals (including Cost Transfer/Corrections), late June transaction corrections will be allowed to be made via the YE Close Spreadsheet Journal.

- This should only be used to adjust transactions posted between June 21st and June 30th.

- This should only be used to adjust transactions within your own organization.

- Complete guidelines for using the Year End Close Spreadsheet Journal can be found at: How To>Financial Management>Year End Close 2018>Journals

- The deadline to submit spreadsheet journals to the budget office that meet the criteria is Thursday, July 5th.
YE Close Journal Cleanup Options

Prime Journal Cost Transfer/Correction Journal

Move a balance by each original transaction.
- Create individual journal lines for each original transaction being corrected.
- Routes for approval.
- Best if the correction involves less than 25 original transactions.
- Correction journal lines reflected on each individual transaction in the Ledger Detail report and easily reconciled back to original entry.

Prime Journal Standard Journal

Move balances by chartstring for a large volume of transactions.
- Create journal lines for the total amounts by chartstring.
- Routes for approval.
- Best if correction involves more than 25 original transactions.
- **Cannot** be used for Sponsored Research corrections.
- In Ledger Detail report, reflected as a lump sum amount by chartstring.
- Best practice is to attach backup transaction documents to indicate what is being corrected.
- Best practice is to include “YE reclass to/from xxxx” in the line descriptions.

YE Close Spreadsheet Journal

Move balances for a large volume of transactions.
- May be used for corrections of more than 25 journal lines.
- **Does not route for approval. Must be submitted by Financial Manager.**
- Create lines in an excel document which is submitted to journals@princeton.edu or sra@princeton.edu.
- On Ledger Detail report, the correction is reflected as a Departmental Systems Journal and will include the line description entered by user.
- Line description best practice is to include “YE reclass to/from xxxx”.
- Deadline for submission is June 21, for more information see the YE Close Journals website.

Degree of Control & Accuracy Assurance

Most

Least
Labor Accounting
Labor Accounting

Review labor charges in LA:

• Confirm that Labor Accounting expense charges for individuals, including graduate student support, are reflected against correct earnings codes and against correct chartstrings.

• Move any staff who may have defaulted to A0000, A0001 or A0014 to other funds, if part or all of their compensation is to be covered by other fund sources.

• Review open encumbrances for clean-up and resolution. During the FY18 year-end process:
  • FY17 remaining labor encumbrances will be removed.
  • FY18 remaining labor encumbrances will be restated in FY19 on the General Ledger.

Review labor charges using Reports:

• Use Detailed Personnel Expense by Chartstring (FIN048) to check that there are no labor charges to invalid chartstrings.

• Use Commitment, Paid & Encumbrances (FIN052) to review faculty/staff/graduate student commitments, paid expense and remaining open encumbrances.

Learn more. [View the Labor Accounting Year End Close Job Aid](#)

For one on one assistance there are LA Year-End Support Labs scheduled: May 8th and May 17th at 1pm, Friend Center Room 005
Buying & Paying / Travel & Expense
Planning Ahead: Goods and Services

• Ensure that the supplier is added.
• Enter your requisition and submit for approval.
• Allow the appropriate amount of lead time for receipt of the order.
• Instruct suppliers to send invoices directly to Procurement Services at invoices@princeton.edu with the PO number printed on the invoice.
• Clear your match exceptions.
• Timeline –
  • Invoices to invoices@princeton.edu – June 22
  • Receiving for goods and services in Prime – June 29
Managing Purchase Orders

• Review your open purchase orders and encumbrance balances.
• If you identify a PO that can be closed now, email the PO number to finance@princeton.edu.
• Purchase orders are closed centrally when:
  1. All distribution lines are fulfilled.
  2. No match exceptions exist.
  3. There are no pending quantities.
• Procurement Services may additionally close aged and inactive purchase orders.
• Purchase orders entered in FY18 that will be received in FY19 will need to have the receiving processed via the Add/Update Receipts module in Prime Financials.
Approving Requisitions and Non-POs

• Unapproved requisitions and non-PO payment requests that are older than 30 days will be deleted.

  • **Requisitions**: Review your worklist in Prime Financials for pending items and complete the approvals.

  • **Non-PO payment requests**: Run FIN041 (Payables Detail) and use the Approval Status prompt to filter on your pending activity.
Receipt Accruals – POs $2,500 and greater

• Receive only on goods and services that have actually been delivered.

• When you receive on a PO in Prime Financials, the fiscal year close process will create an entry called a **receipt accrual** to book the expense in the current fiscal year, regardless of when the actual invoice is paid.
Receipt Accruals

Your Ledger Detail report will reflect receipt accruals as follows:

**FY18 Report:**

<table>
<thead>
<tr>
<th>Department</th>
<th>Fund</th>
<th>Program</th>
<th>Account</th>
<th>Actuals</th>
<th>Transaction Origin</th>
<th>Transaction</th>
<th>Transaction ID</th>
<th>Journal ID</th>
<th>Fiscal Year</th>
<th>Ledger Date</th>
<th>Transaction Creator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>54310 - FIN-Controller</td>
<td>A0018 - Institutional Expense Gen'l Fd</td>
<td>N/A - No Program</td>
<td>6071 - Prof Svcs-Accounting, Tax</td>
<td>$10,000.00</td>
<td>Purchase Order Receipt Accrual</td>
<td></td>
<td>00000055568</td>
<td>POR0075800</td>
<td>2018</td>
<td>06/30/2018</td>
<td>Smith, Joe</td>
<td>Audit Firm LLP</td>
</tr>
</tbody>
</table>

**Total Expense for Chartstring 54310 | A0018 | N/A $10,000.00**

**FY19 Report:**

<table>
<thead>
<tr>
<th>Department</th>
<th>Fund</th>
<th>Program</th>
<th>Account</th>
<th>Actuals</th>
<th>Transaction Origin</th>
<th>Transaction</th>
<th>Transaction ID</th>
<th>Journal ID</th>
<th>Fiscal Year</th>
<th>Ledger Date</th>
<th>Transaction Creator</th>
<th>Description</th>
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<tr>
<td>54310 - FIN-Controller</td>
<td>A0018 - Institutional Expense Gen'l Fd</td>
<td>N/A - No Program</td>
<td>6071 - Prof Svcs-Accounting, Tax</td>
<td>$(10,000.00)</td>
<td>Purchase Order Receipt Accrual</td>
<td></td>
<td>00000055568</td>
<td>POR0075801</td>
<td>2019</td>
<td>07/01/2018</td>
<td>Smith, Joe</td>
<td>Audit Firm LLP</td>
</tr>
</tbody>
</table>

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<tr>
<th>Department</th>
<th>Fund</th>
<th>Program</th>
<th>Account</th>
<th>Actuals</th>
<th>Transaction Origin</th>
<th>Transaction</th>
<th>Transaction ID</th>
<th>Journal ID</th>
<th>Fiscal Year</th>
<th>Ledger Date</th>
<th>Transaction Creator</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>54310 - FIN-Controller</td>
<td>A0018 - Institutional Expense Gen'l Fd</td>
<td>N/A - No Program</td>
<td>6071 - Prof Svcs-Accounting, Tax</td>
<td>$10,000.00</td>
<td>Online Entry</td>
<td>Voucher</td>
<td>00353497</td>
<td>APL0092900</td>
<td>2019</td>
<td>07/15/2018</td>
<td>Smith, Joe</td>
<td>Audit Firm LLP</td>
</tr>
</tbody>
</table>

**Total Expense for Chartstring 54310 | A0018 | N/A $0**

- Net $0 impact to FY19.
- Voucher line appears when the invoice is actually entered for payment to the supplier.

This is the receipt number from Prime Financials.
POs less than $2,500

- Receipt accruals are not available for POs less than $2,500.
- The expense associated with the invoice is booked when Accounts Payable enters the invoice for payment, not when payment is sent to the supplier.
- Invoices must be received in Accounts Payable by the calendar cut-off date to ensure they are processed in the current fiscal year.
Match Exceptions

• Clear your match exceptions as soon as possible.

• To find match exceptions that exist for your department, run FIN041 (Payables Detail) and use the Match Status prompt to filter on “Match Exceptions Exist”:

• Refer to the information on the How to Process Match Exceptions webpage for further guidance.
University Credit Cards and Reimbursements

• Travel and Expense Card activity and any requests for reimbursement must be submitted on an expense report in Concur and fully approved by June 22, 2018.

• Departmental Purchasing Card (P-Card) holders will see two statement reports in Concur for June activity.
  • June 1 – June 15: This is your final statement report for FY18. Submit and approve this report by June 22, 2018.
  • June 16 – July 31: June transactions which post to your P-Card after June 15 will be included on the July statement report and will be expensed in FY19.

• Guests are reimbursed via non-PO payment requests.
  • The deadline for approval of non-PO payment requests is June 22, 2018.
Cash Advances

- Cash advances, including ATM cash withdrawals, should be substantiated and any unspent portion returned to the University no later than 120 days after being received.

- Your weekly un-expensed transaction report includes a second tab which lists all open cash advances in your department:

<table>
<thead>
<tr>
<th>Cash Advance Status</th>
<th>Employee</th>
<th>Home Dept</th>
<th>Home Dept Name</th>
<th>Issued Date</th>
<th>Original Cash Advance Amount</th>
<th>Original Cash Advance Currency</th>
<th>Remaining Unsubmitted Balance (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued</td>
<td>Smith, John</td>
<td>12300</td>
<td>FIN-Procurement Svcs</td>
<td>Apr 13, 2016</td>
<td>414.50</td>
<td>USD</td>
<td>$120.42</td>
</tr>
<tr>
<td>Issued</td>
<td>Smith, John</td>
<td>12300</td>
<td>FIN-Procurement Svcs</td>
<td>Apr 16, 2016</td>
<td>200.00</td>
<td>EUR</td>
<td>$59.64</td>
</tr>
<tr>
<td>Issued</td>
<td>Smith, John</td>
<td>12300</td>
<td>FIN-Procurement Svcs</td>
<td>Apr 18, 2016</td>
<td>104.00</td>
<td>USD</td>
<td>$104.00</td>
</tr>
<tr>
<td>Smith, John</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>718.50</td>
<td></td>
<td>284.06</td>
</tr>
</tbody>
</table>
Reminders

- Use the weekly unexpensed transaction report to encourage your users to submit their activity in Concur as soon as possible.

- Out-of-pocket expenses incurred more than 60 days prior to their submission in Concur will require additional review and processing time. These requests can be subject to taxation and may not post in time for FY18.

- If more information about an expense is required or if its compliance with University policy is unclear, additional details or approvals may be requested, and the processing time for that expense report may increase as a result.
Wrap-Up
Year End Close: Don’t Wait Until Year End

Six priorities for year end close:

1. Review balances and decide whether action is required.
2. Review and correct distributions in Labor Accounting.
3. Clean-up purchase orders and complete receiving.
5. Review and obtain approvals for pending items.
6. Submit and approve University Credit Card activity and reimbursements.
# Year End Close Support

<table>
<thead>
<tr>
<th>Resource</th>
<th>Website / Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Service Center</td>
<td><a href="mailto:finance@princeton.edu">finance@princeton.edu</a>; (609) 258-3080</td>
</tr>
</tbody>
</table>
## Presenter Information

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amy Mercogliano</td>
<td><a href="mailto:am25@princeton.edu">am25@princeton.edu</a></td>
</tr>
<tr>
<td>Assistant Director, Funds Management and Chart of Accounts</td>
<td></td>
</tr>
<tr>
<td>Tessa Yelenik</td>
<td><a href="mailto:tyelenik@princeton.edu">tyelenik@princeton.edu</a></td>
</tr>
<tr>
<td>Senior Buyer, Procurement Services</td>
<td></td>
</tr>
<tr>
<td>Steve Semenuk</td>
<td><a href="mailto:semenuk@princeton.edu">semenuk@princeton.edu</a></td>
</tr>
<tr>
<td>Director, Operating Budget</td>
<td></td>
</tr>
<tr>
<td>Rachel Leslie</td>
<td><a href="mailto:rleslie@princeton.edu">rleslie@princeton.edu</a></td>
</tr>
<tr>
<td>Manager, Expense Programs</td>
<td></td>
</tr>
</tbody>
</table>