The first close for fiscal year 2015 is fast approaching. Take a moment to review the Year End Close Calendar for important close dates and deadlines. Below are a few reminders about reviewing your balances for year end close. The Year End Close webpages have also been updated with information about close processes and procedures for vouchers, purchase orders, and receipt accruals.

**Review Your Balances**

- Run the Spendable Balance and Budget vs Actual Reports, and use Prime Journals and/or the Year End Close Spreadsheet Journal Process to properly align balances through appropriate income and expense account entries.
- For all funds other than the General Fund, any balances left in a given chartstring at the end of FY15 will roll over and appear as beginning balances, positive or negative, on FY16 reports after the closing process in late July.
- Tips and tricks for spendable balance reporting and management can be found on the Manage Balances Course page.
- The Year End Close Spreadsheet Journal is available for a limited time to assist in making corrections and must be submitted by June 15, 2015. Additional information and guidelines can be found on our Year End Close 2015 Journals web page.

If you have any questions, contact the Financial Service Center, (609) 258-3080 or email finance@princeton.edu.

**PER DIEM POLICY UPDATE**

To accommodate faculty research and teaching travel commitments, faculty may continue to claim per diem for travel through June 2016 using the Business Expense Reimbursement Request form. For travel greater than 30 days, a travel allowance of up to 50% of the federally published per diem rates for meals and incidental expenses may be claimed, and receipts are not necessary. Use the expense type “Allowance for travel > 30 days” in Concur and attach the Travel Allowance Calculation form in lieu of a receipt.
New Labor Accounting Report – “FIN052: Commitment, Paid, and Encumbrance”

A new LA Report is available in the Prime Information Warehouse this month. The new report, LA Report FIN052 “Commitment, Paid, and Encumbrance”, details labor-related commitments and outstanding encumbrances by chartstring or by individual, by earnings type (for example, salary and benefits) and fiscal year. The report provides an easy encumbrance amount calculation via the amounts columns: Commitment – Paid – Transfers = Current Encumbered.

The report is useful for reviewing annual commitments and analyzing sponsored project chartstrings, which report multiple fiscal years on separate rows. For more information about this report, see the What’s New: Prime Reporting webpage.

Receipt Accrual

An accrual, or accrued expense, is a means of recording an expense that was incurred in one accounting period but not paid until a future accounting period. Accruals differ from Accounts Payable transactions in that an invoice is usually not yet received and entered into the system before the year end. Recording an accrual ensures that the transaction is recognized in the accounting period when it was incurred, rather than paid.

Receipt accruals are automatically recorded in Prime Financials for purchase orders that are $2,500 or greater. To learn more about receipt accruals and how they will appear on financial reports visit the Buy and Pay Year End Close webpage.

Purchase Orders Across Fiscal Years

On a regular basis, departments should review all open purchase orders to ensure that those POs are necessary and accurately reflect current business. Run FIN038 (Purchase Order Summary) or FIN040 (Purchase Order Detail) to assist with this review. Prime Financials will automatically close purchase orders where all distribution lines are fulfilled when there are no match exceptions.

A purchase order that is open at the close of FY15 will remain open at the start of FY16, regardless of whether that PO was created before or after July 1, 2014. POs that were created before July 1, 2014, with small- or no-balances or that are inactive, are being closed centrally by Finance and Treasury. If you need to make changes to any purchase order in the new Fiscal Year, see the Buy and Pay Year End Close webpage for more information. Please email the Financial Service Center at finance@princeton.edu if you have any questions.

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The spring of 2015 has been a time of great activity and accomplishment regarding the issuance of debt by the University. First, Princeton University’s credit ratings of Aaa/AAA – the highest achievable ratings – were re-affirmed by Moody’s and Standard & Poors. These ratings, which reflect the University’s outstanding operating performance and financial strength, were released to investors in anticipation of the University’s late spring debt transactions.

In May 2015, Princeton completed two separate bond transactions comprising approximately $361 million in long-term debt. The first bond issuance was executed to refund existing debt and achieve debt service savings (much like the refinancing of a home mortgage) and resulted in the realization of savings of approximately $2 million per year. The second bond transaction was issued to finance capital expenditures for several large and prominent construction projects throughout campus including, the Andlinger Center for Energy and the Environment, the Lewis Center for the Arts, the Economics Building and International Building, and the renovation of Firestone Library, as well as a number of other smaller projects.

The University’s debt, which is structured similar to a mortgage in that it is paid off in annual installments over terms of up to 30 years, is an important financing tool supporting the current Capital Plan, which spans Fiscal Years 2008 through 2017. The use of debt enables the University to conserve and manage cash and other financial resources over an extended period of time. The University’s total indebtedness as of May 2015 stands in excess of $3 billion.
**TRAINING TIP**

**View Salary Expenditures on Reports**

All personnel expenses have an account that begins with 5. This includes salaries, benefits, prizes and fellowships. However, to search for just all salary and temp expenses in a report, follow these easy steps:

1. Type the numbers 50 (Faculty Salaries), 51 (Staff Salaries), 52 (Student Salaries) and 6092 (Prof Svcs – Temporary Staffing) in the Account search box. (See image below)

2. Click the Options drop down and select “Starts with any of these keywords”

3. Click Search.

To search for how much is being spent on temp staff only, type only 6092 into the Account search box.

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**REMINDER**

Be sure to complete receiving in Prime Financials to ensure that expenses are booked properly.