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Year-end Process

Fiscal Year 2018

Nichole Curley, Controller's Office

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Agenda

- Year-end close for Brown
- Importance of the year-end close
- Year-end close information and dates
  - Purchasing
  - Accounts Payable
  - Payroll
  - Cashier
  - General Accounting
- Reminders & Updates

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Year-end close for Brown

- No significant change in process from prior year
- Don't wait until July!

vs.

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Importance of a Close

- To prepare complete and accurate financial statements for the University for the period ending June 30, 2018 to distribute to our stakeholders (i.e. trustees, government agencies, bondholders).

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Financial Statements

June 30, 2017 and 2016

(With Independent Auditors' Report Thereon)

Budget vs Actuals

Fiscal YTD thru 06/30/2018	Remaining Budget Balance	% Remaining
1,426,783	151,767	9.6%
6,081,696	5,274,094	46.4%
7,508,479	5,425,861	41.9%

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

A For the 2017 calendar year, or tax year beginning , 2017, and ending , 20

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Purchasing

- Creating New Orders
- Blanket Orders
- Receipting Goods and Services
- Closing Purchase Orders
- Uniform Guidance Procurement Standards

Jeanne Hebert, Director of Insurance & Purchasing Services

Jane Bonacich, Operations Manager and Information Analyst, Insurance & Purchasing Services

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Creating New Orders (continued)

Reminders:

- Create punch out orders as early as possible
  - Standard Requisition type
  - Supplies only
- When creating new Non-Catalog Items requisitions:
  - Use the correct Requisition Type
  - Review the spend category listing for correct spend (living document)
  - Provide pricing documentation

Tip: Use Preferred Suppliers whenever possible to take advantage of university-wide discount pricing. Go to Home | Purchasing and click link on left to see preferred suppliers; or in Workday, type Preferred Suppliers into the search box and then click on report Find Preferred Suppliers .

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Creating Blanket Orders

- Is a blanket order really needed?
- Blanket Orders:
  - Are orders that stand for one fiscal year only
  - Are used to make payments for goods and services provided on a regular and consistent basis
    - Amount requested must be reasonable and based on expected purchasing activity for FY2019
    - *Require pricing documentation to be submitted when requisition is submitted*
- Blanket Orders are not:
  - To be used for consultants
  - A line of credit
- FY 2018 orders must be closed after the last invoice has been submitted
- New Blanket orders must be opened for FY2019, but only if truly needed
  - Select "Blanket Orders" as the requisition type
  - Enter the order description and any important information in the Item Description field of the Requisition
  - Enter Start and End dates

    Goods: include dates in Item Description

    Services: use the Start & End Date fields

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Receipting of Goods

- If placing an order in June – the expense will be reflected in FY18 if you actually receive the items or service by June 30th
- For Goods and Services **received** by June 30th – initiate the Workday task "Create Receipt" as soon as possible in order for that expense to be recorded in FY18

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Closing Purchase Orders

- All completed purchase orders need to be closed prior to year-end – even those with a zero balance
- To close a PO, Departments need to email a Close Purchase Order Request form to purchasing@brown.edu
  - Purchasing will close punch out orders- no form needed
- To find all open purchase orders, use the "Open Purchase Order" Workday report (includes Requisition Type)
  - Keep "PO Date – Start" and "PO Date – End" blank
  - De-select "Only Open Invoice Amount" and "Only Open Receipt Amount"
  - Select Worktags (Cost Center, grant, etc.)

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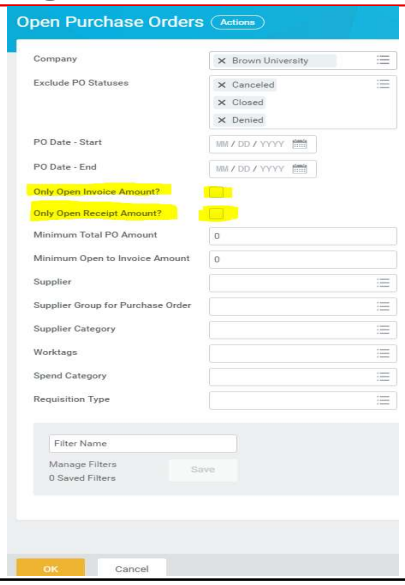
Closing Purchase Orders (continued)



Uncheck these boxes

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Uniform Guidance Overview for Procurement

- Federal Government Regulation for procurement
- Goes into effect July 1, 2018
- Required documentation for purchases mandated by federal government regulation Standards (2 CFR 200.317-326)
  - Increased focus on competition and transparency in the procurement process
    - Costs must be reasonable and necessary
    - Must provide for full and open competition
- Bid thresholds will change

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Accounts Payable and Payroll

- Accounts Payable & Expense Reports– Closing Dates
- Manual Accruals & Prepaid expenses
- FY18 Salary Expenses & Payroll Accounting Adjustments

Nichole Curley, Controller's Office

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Accounts Payable – Closing Date

- Accounts Payable transactions in Workday will close at 4:00 pm on **July 16th** for FY18
- All invoices dated June 30th or prior and for goods or services received or performed in FY18 that have fully completed the business process will be automatically accrued in Workday (i.e. the expense will be recorded to FY18).

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Expense Reports – Closing Date

- Expense reports will close in Workday at 4:00 pm on **July 16th** for FY18.
  - If the expense report is for travel or other reimbursable items incurred in FY18, you will need to change the expense report date to June 30, 2018
  - Workday will automatically accrue the invoice and the expense will be posted to FY18

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Manual accruals

- There will be **NO** manual accruals

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Prepaid Expenses

- Expenses $5,000 or greater for FY19 requiring payment prior to July 1st can be processed by Accounts Payable if clearly marked "PREPAID FY19" in the memo field.
  - For example: PREPAID FY19 subscriptions
- The Controller's Office will record a manual journal entry by July 17th to record the FY19 expense

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Salary Expenses

- Workday records salary expense on the payroll period end date
  - Monthly and weekly salary for FY18 through 6/30/18 pay period end will be posted in FY18
  - Bi-weekly payroll period ending June 23rd will be posted in FY18.
  - Bi-weekly payroll period ending July 7th will be posted in FY19.

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Payroll Accounting Adjustments

- FY18 payroll accounting adjustments that are approved and completed thru the Workday business process by the end of the day on July 16th will be posted in FY18.

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Financial Services

- Deposits
- Credit Card Receipts
- Customer Accounts
- Updates & Reminders

Wynette Zuppardi, Financial & Administrative Services

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Deposits

- Do NOT hold checks. Bring to the Cashier's window immediately as they are received.
- Closing – done ONCE on Friday June 29th
- Submit deposits, reimbursements, and transmittals by 12:00 noon on June 29th to ensure processing for FY18.
- No accruals/backdating on any deposits!

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Credit Card Receipts

- Credit Card receipts will be processed by the bank receipt date. Keep in mind the timing of receipt of funds – approximately 3-5 days after transaction.

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Customer Accounts

- If you need to invoice for FY19 in June, use a July 2018 date on the invoice and the revenue will be reflected in FY19 beginning June 14, 2018
- July 1, 2018, DO NOT backdate any invoices (normal policy)

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Updates & Reminders

- Cashiering Transition to Worktags – Effective July 1, 2018
- All forms will be updated to collect
  - Driver Worktag
  - Sales Item (in rare cases, Spend Category)
  - Optional Worktags
- Watch for further communications via email and in Today@Brown

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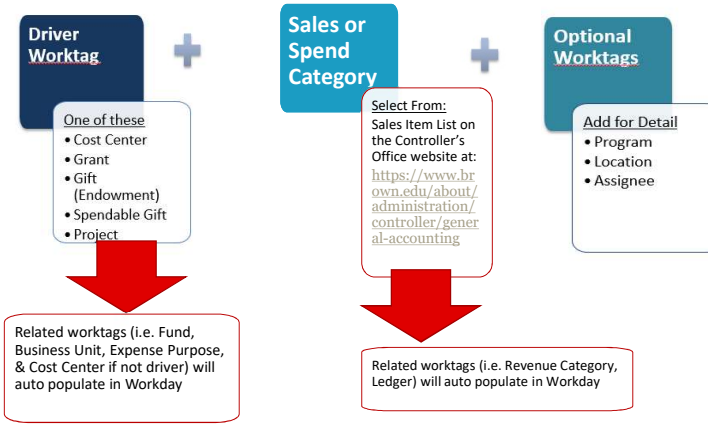
Thinking Worktags…versus BAT



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General Accounting

- Journals - integrations
- Journal Entries
- Deficit Balances
- Workday Allocations

Nichole Curley, Controller's Office

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Journals - integrations

- All integrations / internal services journal entries will be recorded by July 16th

- These include:
  - FAMIS
  - Bookstore
  - Dining
  - Graphics
  - etc.

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Journal Entries

- FY18 journals will be accepted by the Controller's Office until 4:00 pm on July 19th
- Be careful with dates on journal entries and include Fiscal Year in Description to expedite posting entries!
  - FY18: remember to **backdate to 6/30/18** and state "FY18 entry" in Workday memo field.
  - FY19: please state "FY19 entry" in Workday memo field
- The Controller's Office will complete its review and approval by 4:00 pm on July 20th

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Deficit Balances

- Endowments, spendable gifts and agency funds
- Helpful Workday reports
  - Endowment Income Report
  - Spendable Gifts Report
  - Agency Account Report

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Workday Allocations

- Facilities and sold service related allocations will be run by the Controller's Office by the close of business on July 20th
- Reserves – Allocations to close out cost centers to reserves (FD130) will be run by the Controller's office by July 21st

Note: Workday Maintenance scheduled from Friday July 20th at 11 pm until Saturday July 21st at 11 am

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Journal Entries - Reserves

- FY18 designated fund transfers reserve journal entries (FD130 – reserves) will be accepted by the Budget / Controller's Office until 4:00 pm on July 24th
- Please keep in mind:
  - Use journal source Designated Fund Transfer
  - Entries will route to the budget office for review and approval
  - Units will be contacted by the budget office if any additional adjustments need to be made

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Summary of Key Dates

Through June 30, 2018	1. Memo noting FY19 payments now through June 30, 2018, should state: "PREPAID FY19" 2. Close completed Purchase Orders
June 29	1. Deposits must be made by 12:00 pm 2. Create receipt ASAP on goods received by June 30th
July 16	Last day FY18 operational activity including internal services, PAA's, supplier invoices & expense reimbursements recorded in Workday. ** Must complete entire business process*
July 19	Manual FY18 journals accepted until 4 pm (remember to backdate to 6/30/18 and include FY in description!)
July 20	All facility allocations / sold services are run
July 21	FD100 results are complete, and reserves allocations are run
July 24	FY18 designated fund transfers reserve journal entries (FD130 – reserves) will be accepted by Budget / Controller's Office until 4:00 pm *(* Designated Fund Transfer journal source should be used)*

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Updates

- Bat Keys are going away!
  (Record activity using Worktags instead)

- Policy Updates and Reminders:
  - Academic Service Center Policy, manual and forms
  - Expense Reimbursement Policy

Please see Administrative Policies website:
www.brown.edu/about/administration/policies/

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Academic Service Center Policies/Forms

- Recently issued new Academic Service Center Policy
- Revised Service Center Manual
- New/updated forms for:
  - New Academic Service Center Request Form
  - Annual rate proposal form to be used for FY19 rates due September 30, 2018

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Expense Reimbursements Policy Update

- Expense Reimbursement Policy was updated to comply with IRS Requirements for Accountable Plans
  - Expense reimbursements must be substantiated within 60 days
  - Excess advances must be returned within 120 days of when the expense is paid or incurred

  Otherwise these amounts are taxable income reported on the employee's W-2

- New spend categories:
  - 5201: Taxable Payroll Expense – Full Time
  - 5202: Taxable Payroll Expense – Part Time

Departments may submit a journal entry (not a PAA!) to adjust the worktags on these spend categories. For grants, please use "Cost Transfer" journal source. Note: Fringe expense is recorded to spend category 5203: Taxable Payroll Expense – Fringe cannot be moved to a different ledger.