Office of Financial Affairs
Year-End Closing Guidelines
For the Year Ended June 30, 2009

Cash Receipts

Cash received PRIOR to July 1, 2009 must be deposited with the Cashier by 1:00 PM on July 1 in order to be posted in FY 2009.

Purchase Requisitions and SPOs (Small Purchase Orders)

In general, for purchases made on or before June 30, 2009 to be charged to FY 2009, the following three conditions must be met:

1) Products or services are received by the department on or before June 30, 2009; AND
2) An invoice, dated June 30 or prior, from the supplier is **received in** Disbursement Services by 4:30 PM, July 6, 2009 (see Disbursement Services section below) AND
3) A valid purchase order has been processed in the procurement system prior to Disbursement Services receiving the invoice.

To increase the probability that purchases meet the above conditions in order to be charged to FY 2009, Purchase Requisitions and SPOs should be submitted to Procurement for processing and transmission to the supplier no later than 3:00 PM, June 17, 2009. We also recommend confirming delivery dates with your suppliers prior to placing any orders with long lead times.

Disbursement Services – Accounts Payable Invoices and University Demand Check Requests

In accordance with generally accepted accounting principles, expenses and assets are to be recorded in the period in which the related services were performed (expenses were incurred) or the goods were received. Therefore, please note the following year-end procedures to ensure that expenses/assets and their related liabilities are reflected in the proper fiscal year:

Invoice/Check Request Cutoff – 4:30 PM, July 6, 2009

An invoice/check request will be processed as a Fiscal 2009 transaction if it meets ALL the criteria below:

1) Properly completed and authorized;
2) Dated on or before June 30, 2009;
3) For goods/services received or expenses incurred as of June 30, 2009; AND
4) **Received in** Disbursement Services by the cutoff (If using Campus Mail, please take delivery time into consideration in order to meet the deadline).

Invoices/check requests for goods or services to be received after June 30, 2009 will be held and processed in Fiscal 2010.

Manual Accrual Request Cutoff, University Central – 5:00 PM, July 13, 2009 *(Medical Center guidelines will be published by the Department of Finance)*

A manual invoice accrual may be requested by a University Central department for any invoice not received by the July 6, 2009 deadline above if it meets all of the following criteria:

1) Goods/services were received (or expenses were incurred) by June 30 but invoice was not received by July 6 cutoff above;
2) Total accrual being requested is at least $10,000;
3) Individual items greater than $3,500 are accompanied by an invoice copy or proof of delivery supporting point 1) above; and
4) Accrual request is submitted to Keith Cribbs, Disbursement Services by 5:00 PM, July 13, 2009.

NOTE 1: University Central departments should not submit their own journal entries to manually accrue invoices. All accrual requests should be directed to Keith Cribbs, Disbursement Services to ensure consistent application of the policies, compliance with financial reporting requirements, and proper accounting of all manual accruals.

NOTE 2: Manual accruals will be automatically reversed in July and are separate from the AP payment process. Therefore, please ensure that all original invoices are forwarded to Disbursement Services per normal procedures for processing and payment.

Additional Analysis by Disbursement Services

University Central invoices and demand check requests received through early September that pertain to expenses incurred prior to July 1 will be analytically reviewed by Disbursement Services to determine if accruals have been properly recorded. Any adjustments deemed necessary will be made by Disbursement Services and your departmental representatives will be notified.

If a University Central departmental manager believes there are extraordinary circumstances surrounding the request for an exception to these guidelines, he/she should contact Betty Price, Interim Vice Chancellor for Finance and Chief Financial Officer.

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Encumbrances (outstanding purchase order obligations)

The Encumbrance Report (VUPO200) indicates the current status of all unpaid or partially paid purchase orders. Please review this report to identify those purchase orders for which all items have been received and fully invoiced. Removal of any inappropriate or unnecessary encumbrances will result in a more accurate representation of the purchase order commitments initiated in the current fiscal year.

To remove inappropriate purchase orders from the Encumbrance Report, highlight the purchase order number on the report, indicate reason for requested closure, sign your name, and forward to Purchasing, VU Station B 357000. Optionally, you may e-mail your request to: Encumbrance_Removal@list.vanderbilt.edu. The e-mail should include a statement indicating both the desired action 'Removal of encumbrances for the following purchase orders' and the list of the specific purchase orders needing to be removed.

Invoice Exceptions

Unresolved invoice exceptions appear on the Report of Transactions (MD091) with the journal entry identifier APE##. These invoices are posted to the department's general ledger, but they will not be paid until the department requests an adjustment to either the purchase order or the invoice amount.

Since an unresolved exception could represent an error, each department should research the outstanding exceptions and contact the appropriate purchasing agent as listed on your copy of the purchase order for assistance.

Procurement Card

June transactions that have a **post date** in PaymentNet between 5/27/09-6/25/09 will be available for review, approval, and reallocation of account/center numbers until 3:00 PM, Friday, June 26, 2009 and will be recorded in June.

Transactions posted in PaymentNet from 6/26/09-7/3/09 with a **transaction date** prior to July 1, will be available for review, approval, and reallocation of account/center numbers until 3:00 PM, Monday, July 6, 2009. Note: PaymentNet transactions are one day behind, so transactions reviewed on July 6 would include transactions posted at the bank July 1 and prior.

On Monday, July 6, after 3:00 PM, transactions dated prior to July 1 will be recorded via an accrual journal entry into June's Departmental First Close ledgers. These entries will be reversed automatically on July's ledgers.

Form 1180 (University Central Only)

As Form 1180 is used to "purchase" inter-department goods and services (e.g., business cards from Printing Services or conference room rental charges), these transactions should be recorded in the fiscal year in which the goods or services were received. Therefore, for a Form 1180 to be recorded in FY 2009 the following conditions must be met:

1. Products or services are received by the requisitioning department on or before June 30, 2009; AND
2. The Form 1180, dated June 30 or prior, is **received in** the Office of Financial Affairs by 12:00 PM on July 8, 2009. (**Note:** If a Form 1180 has been sent to the Supply Source department for completion and submission to the Office of Financial Affairs, please follow up with that department to verify that it will be submitted prior to the cutoff date. Also, if using Campus Mail, please take delivery time into consideration in order to meet the deadline.)

Other types of activity, such as corrections of previously-recorded transactions, should be submitted as journal entries as opposed to using Form 1180. Entries to be processed by the Office of Financial Affairs should be submitted using the Journal Entry Shell. If you have any questions regarding use of the Journal Entry Shell or Form 1180 processing for FY 2009, please contact Matthew McGlasson (3-6650).

Faculty and Staff Travel Expense Reports (University Central Only)

In order for appropriate charges to be posted to FY 2009, all faculty and staff with outstanding expense reports for travel completed prior to June 30, 2009 should promptly submit expense reports so that they are **received in** Disbursement Services by Monday, July 6, 2009 (4:30 PM). (If using Campus Mail, please take delivery time into consideration in order to meet the deadline.)

Please request that all faculty and staff within your department resolve outstanding amounts advanced through general accounts receivable for travel that occurred prior to June 30, 2009. Be sure to include these amounts on the travel expense reports. Questions concerning general receivable accounts should be directed to **gar@vanderbilt.edu**.

General Ledger Web Apps (eDog)

Reports, summary data and transactions will be available in eDog on the day following each close. An eDog notification e-mail will be sent out once all eDog reports, summary and detailed transaction data becomes available.