To: Campus Community  
From: Lillian Nash, University Controller  
Date: March 14, 2019  
Re: Fiscal Year 2019  
Financial Closing Schedule

As the University prepares for the conclusion of the academic year, we must also prepare for the close of Fiscal Year 2019, which ends June 30th. The Controller’s Office wants to thank you in advance for your assistance with fiscal year end activities. We created this memo to help ensure an efficient year-end close.

The Finance Division must follow Generally Accepted Accounting Principles (GAAP) and procedures which are promulgated by the Financial Accounting Standards Board (FASB) and the Government Accounting Standards Board (GASB) to properly close the financial records for any given fiscal year. In order to meet these guidelines, careful planning is required to ascertain that expenditures are properly recorded and charged in the appropriate fiscal year.

Year-end closing requires the coordinated efforts of Finance and Accounting and campus departments to ensure that all financial activity is accurately recorded. It is important that all departments review and reconcile their ledgers, verifying that all Fiscal Year 2019 requisitions, invoices, travel expenses, and payroll transactions have been recorded accurately. Before closing, it is also necessary to ensure the accuracy of any outstanding encumbrances (purchase orders and travel authorizations) for the year so that budget balances can be accurately carried forward.

During the months of May and June, please use Budget Overview and the MSU_DEPT_BALANCES_BY_ACCT query. If there are missing or incorrect transactions, please take the necessary action to ensure they are posted correctly. Actions to be taken may include budget transfers, expense transfers, payroll corrections, and deposit corrections.

In order to support year end closing efforts, there will be Open Labs allowing requisitioners to get assistance with closing requisitions and adjusting purchase orders to clean their requisition queues. A representative from Accounts Payable will also be present to answer any questions. Please note the dates and locations of these sessions:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
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<tbody>
<tr>
<td>Wednesday, April 3</td>
<td>2:00 - 4:00</td>
<td>University Hall - 5011</td>
</tr>
<tr>
<td>Monday, May 13</td>
<td>2:00 – 4:00</td>
<td>Overlook - 3051</td>
</tr>
<tr>
<td>Tuesday May 21</td>
<td>2:00 - 4:00</td>
<td>University Hall - 5011</td>
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The following year end closing dates for Fiscal Year 2019 will assist you in planning your remaining expenditures for this year.

**BUDGET TRANSFERS (Non Grant Related)** – It is recommended that in May you review your budgets and make all transfers needed for June spending. Budget transfers to accommodate Fiscal Year 2019 purchase orders must be submitted to the Budget Office no later than May 23, 2019. All other budget transfers for spending that do not involve purchase orders must be submitted by June 13, 2019. Please do not submit budget transfers between accounts in the same budget (parent) pool.

**PURCHASING** – It is strongly recommended that requisitions be entered and approved in FMS by May 25 to allow time for the Purchase Order to be dispatched. **All requisitioning will be cut off at end of day June 13 for FY19.** An exception will be made for Grant requisitioning that is required to carry out mandatory requirements. Please contact Cheri Jefferson - jeffersonc@montclair.edu for access. Please plan to have the PO Requester or a Department Manager with the receiver role available. **Any requisition that has not been converted into a purchase order by end of day June 28, will be cancelled.** All purchase orders that do not have a receipt attached by June 27, 2019 will be rolled over into the FY20 and expenditures will be charged against FY20. Any FY19 purchase order rolled over into FY20 that is not received by August 23, 2019 will be closed. The Controller’s office will provide a list of open Purchase Orders to each unit by June 13, 2019.

FMS will be open for FY20 requisitions beginning July 1, 2019.

**RECEIVING** – **All goods and services relating to Fiscal Year 2019 must be physically received and have a receipt entered in FMS by June 27, 2019 in order to be recorded in Fiscal Year 2019, FY19 requisitions received after June 27 will have all expenditures charged to FY20.**

All goods or services that have not been paid by June 27th but have been received, must have a proof of receipt attached in order to be accrued in FY19. This could be a packing slip, delivery ticket, or Certification of Receipt of Services template. Order confirmations and price quotations are not considered proof of receipt. Please note that this procedure must be followed year round, i.e., not only at year end.

**PAYMENTS TO SUPPLIERS** – The final check run for Fiscal Year 2019 will be June 27.

**Supplier Invoices** - Must be submitted to Invoices@mail.montclair.edu by June 17. No Purchase Order payment can be made without a receipt. Please be sure to check all open requisitions to make sure all receipts have been entered.

**Quick Invoice** voucher cutoff time is – 4:30 PM, June 20, 2019 for expenses other than travel. This will allow time for all approvals and for the resolution of any processing issues.
Please pay attention to any FMS system notifications you may receive. Notifications for Approvals, Budget Errors, and Missing Receipts must be resolved in order for payments to be made. Budget errors in particular MUST be resolved by June 27.

**Travel Reimbursements**– Travel-related expenses for trips that are concluded prior to June 30, 2019 must be submitted for reimbursement no later than July 15, 2019 to be included in our year end accruals and charged against your 2019 budget. These accruals will be made via manual journal entries and will be posted to your department by July 25th. Travel expenses for trips concluded after June 30th will be charged to Fiscal Year 2020.

**P-CARD** – All purchases on the University’s Pcard that occur on or before June 30, 2019 will be charged to Fiscal Year 2019. Please plan your purchases accordingly with consideration given to available budget and budget transfers as described in the Budget Transfer section above. All purchases that occur on or before June 30, 2019 are to be **approved by the departmental manager by July 5**. Please plan for the approval process by such date. All purchases made after June 30, 2019 will be expensed in Fiscal Year 2020. The date of purchase listed in WORKS must be no later than June 30th. If the **P Card** purchases are made by June 30th but the purchase date listed in WORKS is later, proof of purchase date **with departmental manager approval** must be emailed to Ronald Rice (ricer@montclair.edu) no later than July 5, 2019. Otherwise, the transaction will be posted to Fiscal Year 2020.

Please note that P-card charges do not encumber funds and, if not tracked closely, can lead to overspent budget. Overspent budgets, late approvals, and unallowable purchases are considered to be a misuse and subject to suspension or revocation of P-card privileges.

**TRAVEL CARD** - All purchases on the University’s Travel card that occur on or before June 30, 2019 will be charged to Fiscal Year 2019. Please plan your purchases accordingly with consideration given to available budget and budget transfers as described in the Budget Transfer section above. All purchases that occur on or before June 30, 2019 are to be **approved by the departmental manager by July 5 and all receipts must be attached**. Please plan for the approval process by such date. All purchases made after June 30, 2019 will be expensed in Fiscal Year 2020. The date of purchase listed in WORKS must be no later than June 30th. If purchases are made by June 30th but the purchase date listed in WORKS is later, proof of purchase date **with departmental manager approval** must be emailed to Travel@montclair.edu no later than July 5, 2019. Otherwise, the transaction will be posted to Fiscal Year 2020.

Please note that Travel card charges do not encumber funds and, if not tracked closely, can lead to overspent budget. Overspent budgets, late approvals, and unallowable purchases are considered to be a misuse and subject to suspension or revocation of Travel-card privileges.

**ACCRUALS** – 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. This is a requirement of GAAP based accounting and provides a more accurate and up-to-date view of the University’s financial position than the cash basis accounting method, in which expenses are recorded when paid. For an expense to be recorded in the current fiscal year, the expense should have been incurred by June 27, meaning that the goods should have been received or services should have been rendered by that date (end of day).

**Standard (Receipt) Accruals are recorded automatically by PeopleSoft Financials** based on receipts entered against purchase orders by the University departments. If goods are entered as received, but they have not been paid yet, the system will record the expense as an accrued expense. The expense will be posted (debited) in FY19 and the reversal (credit) will be posted in FY20. This credit will be in place so that when the invoice is actually paid, there will be no effect on the FY19 budget.

A receipt for goods and services received must be entered by end of day June 27. **All goods and services that are to be accrued must have proof of delivery attached to the receipt.** This could be a packing slip, a delivery ticket, or a Certification of Receipt of Services Template.

**Payroll Accrual** - The last salary payroll of the year is the pay period ending June 21, 2019. An accrual of 5 days will be calculated based on the pay period ending July 5, 2019. The accrual will be recorded in PeopleSoft FMS for FY19 on or about July 12, 2019. Any reallocations that are to be reflected in FY19 need to be provided to Brittany Gannon at gannonb@montclair.edu of the Workday team by June 13, 2019.

**ACCOUNTS RECEIVABLE POLICY** – To ensure the University financial statements correctly reflect all amounts owed to the University in accordance with GAAP, revenues must be recognized when they are earned, and not necessarily when payment is received. Revenues are generally earned when goods are shipped or services are performed. Departments involved with invoicing sales, services, and assessments are required to report year-end receivables to the Controller’s Office for recording into PeopleSoft FMS. Each department must maintain records and supporting documentation for their accounts receivable. In support of this requirement, all departments must submit requests to establish accounts receivable for amounts greater than $20,000 related to Fiscal Year 2019 where the cash is not actually received until the new fiscal year 2020, to accountsreceivable@montclair.edu by June 27, 2019.

**Non-Student Unearned Revenue** - Any revenues recorded during the year that have not yet been earned by the end of the fiscal year 2019 should be recorded as unearned income. Revenue is considered earned only when 1) A business transaction has been completed to sell goods or services, 2) the goods or services have been delivered or performed, and 3) cash has been collected or collection has been assured. Please contact Robertine (Tina) Lusamba at lusambar@montclair.edu by June 28, 2019 for any revenues recorded during FY19 but that are attributable to FY20, so they can be reclassified accordingly.
YEAR END CASH AND CASH RECEIPTS – Cash and checks collected are to be deposited upon receipt. All deposits must be delivered to the Cashiers Office by 10:00 AM, Thursday, June 27, 2019 to be recorded in Fiscal Year 2019. Any receipts received after this period will be processed beginning July 1, 2019, and will post to the new year (fiscal year 2020 – Period 1.)

ACCOUNT (Actuals) TRANSFERS – Account (Actuals) Transfers must have all departmental approvals and be awaiting General Accounting approval by 4:30 PM, Thursday, June 27, 2019 for inclusion in Fiscal Year 2019. Prior to submission of account (actuals) transfers, ensure all budget transfers have been completed by dates noted above and there is available budget at the parent pool level to cover the accounts (actuals) transfer. Account (actuals) transfers initiated on or after July 1, 2019 are for only Fiscal Year 2020 activity and will be posted to the new fiscal year.

PREPAID EXPENSES – Prepaid expenses are payments made to suppliers in advance of receiving the goods or services. If the payment was made in Fiscal Year 2019 and $50,000 or more relates to Fiscal Year 2020 or subsequent fiscal years, contact Annette Dabek (dabeka@montclair.edu) by July 5, 2019 to defer the expense to the appropriate fiscal year.

GRANTS PROJECTS - Sponsored projects should follow all applicable dates indicated above as able. Requisitioning that is required to carry out mandatory requirements is allowable. Please contact Cheri Jefferson (jeffersonc@montclair.edu) for access.

CATERING - Please plan to have your requisitions for catering orders through 6/30, completed by June 13th. For emergency orders after June 13th, Please contact Cheri Jefferson for FMS access. All orders must have a Purchase order in order to be charged to FY19 so please plan accordingly.

**ACTIVITY SCHEDULE**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Must be completed by</th>
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<tbody>
<tr>
<td>Budget transfers needed for purchase orders</td>
<td>May 23</td>
</tr>
<tr>
<td>All other budget transfers</td>
<td>June 13</td>
</tr>
<tr>
<td>Enter Requisition (exception-Grant emergencies)</td>
<td>June 13</td>
</tr>
<tr>
<td>Supplier Invoices submitted to AP (<a href="mailto:invoices@montclair.edu">invoices@montclair.edu</a>)</td>
<td>June 18</td>
</tr>
<tr>
<td>Quick invoice submission (Approvals and valid budget must be in place)</td>
<td>June 20</td>
</tr>
<tr>
<td>Final Check run</td>
<td>June 27</td>
</tr>
<tr>
<td>Accounts (Actuals) Transfer</td>
<td>June 27</td>
</tr>
<tr>
<td>Deposit Checks/Cash</td>
<td>June 27</td>
</tr>
<tr>
<td>Accounts Receivable / Unearned revenue submission</td>
<td>June 27</td>
</tr>
<tr>
<td>Enter Receipt in FMS</td>
<td>June 27</td>
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</tbody>
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Pcard and Travel Card transaction approval | July 5
Employee Travel reimbursement | July 15

Please review your expenses and open encumbrances, i.e., open purchase orders. This will help to ensure that next year’s budget will not be charged for current year expenditures. Fiscal agents are also asked to review open purchase orders and notify Procurement Services of any orders that need to be closed.

Your cooperation in meeting these deadlines is necessary and greatly appreciated. Any purchasing or P-Card related questions may be directed to the Office of Procurement Services at extension 4145. All other questions may be directed to the University Controller’s Office at extension 4199.

The new fiscal year (FY20) will be open for processing on July 1, 2020! Thank you for all your hard work throughout the year, and for helping to ensure a smooth close to FY’19.