



**York University
Office of the Comptroller
Year-End Guide for Faculty and Staff**

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**York University
 Year-End Guide for Faculty and Staff
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York University Year End Guide for Faculty and Staff

Purpose

The purpose of this guide is to ensure that year-end is completed in an accurate and timely manner. This can only be achieved through clear and concise delivery expectations for all faculty and staff during the University's year-end process. In preparation for the upcoming year-end, the Finance Department has prepared this guide to summarize all the significant steps required during the year-end process. Within this document, the reader will find relevant documentation to assist with year-end. This includes deadlines for submission of data and account analysis requirements.

If you have any comments or suggestions, please send them to Smita Shah, Manager Financial Systems and Analysis at shahs@yorku.ca

Overview

A year-end is defined as the completion of a 12-month cycle of operations (fiscal year). For York University and most universities in Canada, this begins at May 1st and ends at April 30th. The year-end process is necessary to complete the University's financial statements and to establish each unit's carryforward position for next year's budget.

A year-end is also defined as a process, which ensures all revenue and expenses pertaining to that year are recorded in the University's General Ledger by April 30th. All amounts due to and from the University are recorded.

The year-end process involves three groups working together:

- 1) Faculty and staff responsible for cost centre(s) need to analyze and reconcile accounts under their responsibility and make corrections as required;
- 2) Finance Department staff prepare and process data, create reports and review account analysis to ensure that reported figures are consistent with Generally Accepted Accounting Principles in Canada (GAAP); and
- 3) The University's external auditors, Ernst & Young LLP, who audit the University's financial statements and report to the University Board of Governors.

The co-operation of all three groups is essential.

Important Dates

Please consider these dates when planning for the **April 30, 2011** year-end closing:

- **Accountable advances and expense reports must be received in Accounts Payable by April 28, 2011. Please ensure these are forwarded well before April 28, 2011, whenever possible.**
- **The cut-off for external billings and Accounts Payable invoices is April 28, 2011. Please ensure these are forwarded well before April 28, 2011, whenever possible.**
- **Foreign outgoing wires should be received by Accounts Payable on April 28, 2011.**
- **The cut-off for journals is April 29, 2011. Please ensure these are forwarded to General Accounting or emailed to journals@yorku.ca (for electronic uploads) well before April 29, 2011, whenever possible.**
- **The cut-off for cash receipts is April 29, 2011.**
- **Biweekly payroll ending April 16, 2011 will be automatically charged to units on or about May 2, 2011, and charged to fiscal year 2011.**
- **Biweekly payroll ending April 30, 2011 will be charged to the new fiscal year (i.e. fiscal year 2012).**
- **Entries for Run 2 (from May 9, 2011 to May 11, 2011) are limited to the recording of receivables and accruals and the deferral of revenue relating to the next fiscal year, 2012. Entries less than \$10,000 will not be processed. Charges can only be done to cost centres under your responsibility or other centres where the owner has confirmed the charges. **Entries adjusting Run 1 balances will be accepted up to May 11, 2011.****
- **Account analysis is due on Friday, May 13, 2011.**
- **Reporting outstanding/unused vacation credits to Pension and Benefits is due by March 25, 2011.**
- **Adjustments to the Purchasing Card will not be accepted once the transactions have reached the General Ledger.**

What happens in Finance during year end?

The following is a brief outline of the process in Finance during the year end.

- Documents for Run 1, received in Finance up to April 29, 2011, will be processed by Finance daily. This includes journal uploads, invoices, hard copy journals, cash receipts, etc. Transactions that have passed system edits will be updated that night and show up on eReports the following morning.

- Finance will follow up with the preparers on any journals that did not pass the system edits the night before.
- Finance will load the April 16, 2011 Biweekly payroll on or around May 2, 2011.
- The final report for Run 1 will be available on May 9, 2011.
- For fiscal 2010/11, Run 2 journals (sent to Finance from May 9, 2011 to May 11, 2011) will be reviewed, approved and entered daily. Transactions that have passed system edits will be updated that night and show up on eReports the following morning.
- Finance reviews payments processed after cutoff to ensure that they are recorded in the proper fiscal year.
- Salary commitments on the Statement of Operations will be cleared at the end of April 2011 (Run 1).
- Purchase order commitments on the Statement of Operations will be cleared at the end of April 2011 (Run 1) for funds 200 and 300. The commitment can still be viewed by accessing the outstanding purchase order reports in eReports.
- The final reports for Run 2 will be available at May 12, 2011. Check the notices on eReports to confirm the reports are finalized.
- Thereafter, Finance will begin reviewing account analysis of the Balance Sheet and Statement of Operations submitted by the Community. They will follow up on any incomplete analysis.
- Year-end reports and account analysis are compiled for the auditors' review by May 24, 2011.

eReports

The financial statements for each cost centre are available electronically on a daily basis at the eReports website www.yorku.ca/ereports. All journals, deposits, invoices, etc., as posted into the financial system (PeopleSoft) during the day are available the next morning on eReports.

If you are not an eReports user, you need a Passport York User ID and access rights to the cost centre(s) you administer. Both can be acquired by emailing your request to ithelp@yorku.ca. Please note that users who need to have eReports access should obtain the approval from cost centres' managers first and send the approval e-mail along with their eReports access requests to ithelp@yorku.ca.

Carryforwards (Fund 200)

A carryforward is the cumulative unspent balance (surplus or deficit) of the unit. Surpluses may be used to offset future deficits (if approved). Deficits must be reduced through the next year's in-year surplus.

Carryforwards to fiscal year 2012 are posted using journals prepared by the Financial Reporting group in the Comptroller's Office. They are posted once the year-end entries from the community and Finance are completed. This is expected in June 2011. **Until the journals are posted, the opening Carryforwards showing in the May 2011 and June 2011 statements will reflect zero opening positions.**

If you want to know how much is available, the calculation is as follows:

Carryforward from previous years (April 30, 2011)	\$10,000
Fiscal Year 2011 In-Year Actual Surplus/Deficit	2,000
Carryforward into Fiscal Year 2011-2012	\$12,000



Usually, units carry forward their in-year surplus or deficit. However, certain faculties consolidate their cost centre range into one central cost centre and allocate balances as required during the year. If you had a carryforward balance at the end of the year and it does not show up in the new fiscal year, please check with your faculty's Executive or Financial or Budget Officer first before contacting Financial Reporting.

Deadlines and Details

Account Analysis

You are expected to complete an analysis of **all** your balance sheet accounts. This process will be similar to that conducted as at October 31, 2010. On operating statement items, be prepared to explain the nature of the revenues and expenses and year-over-year changes to balances of more than 10% and \$100K.

A request letter will be sent to you in early May detailing accounts for which you are responsible. You must forward to Finance by May 13, 2011, a detailed account analysis of items and/or explanation for year-over-year balance changes of \$100K and greater.

Individuals should review and reconcile their monthly financial statements to determine if:

- All revenues from fees, grants, contracts and other agreements are recorded. If funding **is due**, but not received by April 30, 2011, the amount due should be set up as an accounts receivable. In addition, any revenue related to the fiscal year 2012 should be deferred. Please use the following accounts:

Accounts Receivable	001600 (to book receivables)
Advance Income General	012000 (to defer general revenue)
Advance Income Tuition	012300 (to defer tuition revenue)

- All expenses have been recorded. There may be goods and services received for which no invoice has been received from the supplier. These need to be set up as an expense and an accounts payable accrual (refer to **Section Accounts Payable accruals, and receipt of goods and services**).
- All corrections have been processed.

Reminder: all receivable and accrual journals must be accompanied by a journal dated in the next fiscal year (i.e. Fiscal Year 2012 - May 1, 2011) reversing the entry.

Your balance sheet accounts are a good place to start your analysis. Many times receivables are set up at the prior year-end but never reversed. In these cases, once the funds are received they should be applied to the receivable instead of being credited to income, otherwise the unit's carryforward will be overstated. This should not be a concern if the year-end receivable balance is properly reversed in the new fiscal year.

Another problem comes from keying errors and miscoding of expenses that end up in balance sheet accounts. Again, this misstates the unit's in-year and carryforward position at year-end.

Often faculty and staff receive travel and other advances during the year. If the trip or purpose for the advance has concluded, a Claim for Reimbursement form **must** be completed, approved and forwarded to the Accounts Payable Department for processing. The amounts can then be reversed as an advance and expensed to the proper accounts.

Accounts payable, accruals and receipt of goods and services

a) Goods and services which have been received and invoiced prior to April 30, 2011

All invoices dated April 30, 2011 or earlier must be recorded in the fiscal year 2011. This can be done through Accounts Payable (if the invoice is received by Accounts Payable by April 28, 2011) or through an accrual (if the invoice is received after April 28, 2011)

All invoices for goods and services received prior to April 30, 2011 and received between April 1, 2011 and April 30, 2011 should be sent daily to Accounts Payable, with a proper cheque requisition, with the actual date of receipt of goods and/or services clearly marked. **These must be received by Accounts Payable by Thursday, April 28, 2011.**

Note: For invoices received after April 28, 2011, the department should create an accrual journal – see section C below.

b) Goods and services associated with a general purchase order

All receiving copies of general purchase orders for goods and services received by April 30, 2011 or earlier must be recorded in the fiscal year 2011.

All signed receiving copies of general purchase orders (for goods and services received prior to April 30, 2011) received from April 1, 2011 to April 30, 2011 should be sent daily to Accounts Payable, with the actual date of receipt of goods and/or services clearly marked. **These must be received in Accounts Payable by Thursday, April 28, 2011.**

Accounts Payable will match the signed receiving copy of the general purchase order with the associated invoice and ensure that the charge is posted in the fiscal year 2011. In the event Accounts Payable has not as yet received the invoice associated with the particular general purchase order, an accrual will be made by A/P for funds 200 and 300 for invoices greater than \$500, as well as for funds 400 & 500 for invoices greater than \$5,000; and the charges for the goods or services will be reflected in the fiscal year 2012. **Please note that this accrual only applies to general purchase orders.**

Note: For goods received after April 28, 2011, the department should create an accrual journal – see section C below

c) Unbilled goods and services (accruals)

Reminder: Please contact suppliers for original invoices prior to April 30, 2011.

Charges for goods and services related to the fiscal year 2011 for which an invoice has not been received by the above noted cut off dates and which are not associated with a general purchase order must be recorded as accruals for the fiscal year 2011 by the community. When these invoices are sent to Accounts Payable for payment, it must be noted on the invoice whether an accrual has been made.

Accruals are used to expense goods and services received before the end of April, for which no invoice has yet been received. They are set up as a liability in account 010800 Accrued Liabilities with a corresponding expensing of the cost of goods and services. A reversing journal dated in the next fiscal year (i.e. Fiscal Year 2012 – May 1, 2011) must also be submitted reversing the accrual.

Below is a summary of when Accounts payable will make the accrual and when the department should make the accrual:

Description	AP will process the invoice for payment	AP will process the accruals >\$500	Community will process the accrual >\$500
<ul style="list-style-type: none"> • General Purchase Order • Goods received before April 30, 2011 <ul style="list-style-type: none"> ○ AP receives signed PO receiver and invoice by April 28, 2011 ○ AP receives signed PO receiver by April 28, 2011 ○ AP receives the supplier invoice by April 28, 2011 	X	X X	
<ul style="list-style-type: none"> • Blanket or Project Purchase Order <ul style="list-style-type: none"> ○ AP receives signed invoice by April 28, 2011 ○ Goods are received before April 30, 2011 but no invoice or invoice not submitted to AP by April 28, 2011 	X		X
<ul style="list-style-type: none"> • No Purchase Order issued <ul style="list-style-type: none"> ○ AP receives signed invoice on or before April 28, 2011 ○ Community receives goods or services before April 30, 2011 but does not process the paper work to AP 	X		X

The above table is for use in processing invoices and or accruals for goods and or services received by April 30, 2011 for funds 200 & 300.



New Year Review

Accounts Payable will be reviewing invoices received directly from vendors dated April 30, 2011 or earlier but received after this date to ensure that charges are accounted for in the proper fiscal year. In cases where Accounts Payable discovers invoices greater than \$5,000, which are dated April 30, 2011 or earlier, Accounts Payable will be contacting the unit to ensure the charges have been properly accounted for in accordance with the above procedures.

Cash Receipts and Deposits

All monies received up to and including April 29, 2011 must be deposited by Friday, April 29, 2011 to be credited to 2010/2011 fiscal year. This applies to Canadian funds submitted to the Bank of Montreal using the deposit form as well as US and foreign funds delivered to General Accounting by 12:00 noon on April 29, 2011 for deposit by General Accounting. Deposits after this date will be posted in May 2011.

If you have a deposit that relates to fiscal year 2011 but that is deposited subsequent to the cut-off, please ensure the amount is recorded as a receivable at year end.

Please contact General Accounting regarding cash receipt and deposits.

Deferred Revenue

Revenue received for an event or a course that will take place on or after May 1, 2011 should be classified as deferred revenue. Other examples of items eligible for revenue deferral include unspent donations and grants. All amounts to be deferred should be removed from the revenue accounts and added to the deferred revenue account (012000 Advance Income General or 012300 Advance Income Tuition, as appropriate) no later than May 1, 2011. **Once the new fiscal year begins at May 1, 2011, the amounts in the deferred revenue account should be reversed and transferred back to the revenue accounts.**

(Both the journal entry recording the deferred revenue and the associated reversing journal entry must be prepared and forwarded to Finance.)

Inventory

Units that received inventory but have not been billed for it by year-end, must prepare an accruing journal entry (to debit inventory and credit accrued liabilities). The journal entry along with a supporting list must be received by Finance on Friday, April 29, 2011. The listing should include information on the goods, quantity, date received, purchase order or reference number and amount. The accruing journal should be sent to the attention of Kelvin Tsang, Finance, Suite B, EOB. The accrual should be charged to your department number using account number 010800. You must prepare and submit a reversing entry that is dated no earlier than May 1, 2011, which should accompany the accrual.



Prepaid Expenses

Units that have paid for services/goods not yet received by April 29, 2011, record the item as a prepaid expense (account 004600). Examples of prepaid items include contracts, maintenance agreements and subscriptions. Please review all of these charges. If the amount qualifies as a prepaid expense, units need to prepare a journal entry reversing the expense and debiting the prepaid expense account 004600. When units submit the entry, they also need to prepare a reversing journal dated May 1, 2011. Both entries are due in Finance by April 29, 2011.

Journals – Regular, Cleanup and Uploads

During the year, there is only one cut off date to get journals in for the month. There is no provision for corrections and adjustments after the cut off date for that month. They must be posted into the next month. However at year-end, a second run cut-off date exists to accommodate any corrections and adjustments required by the community. **The second run, from May 9, 2011 to May 11, 2011, is for significant accruals, set up of receivables, set up of prepaid, deferral of revenue, corrections, and adjustments only. Journals less than \$10,000 will not be approved or processed by Finance.** All entries for the second cut off should be dated April 29, 2011 and ‘Old Year’ should be written on the face of the journal form. The cut off dates for journals is shown in Appendix I. Journals less than \$10,000 received for Run 2 will be returned to journal preparers.

Journals with more than 10 lines should be prepared using a journal upload file. Journals with less than 10 lines should be combined to meet the 10-line minimum. Contact journals@yorku.ca if you would like to use the journal upload, but have never used it before.

Purchasing Card Transactions (PCard)

The journal for PCard purchases up to April 20, 2011 is expected to be posted at around April 25, 2011. Therefore, units can expect to see charges in their operating statement by April 26, 2011. Departments can amend charge codes on the Access OnLine website until April 24, 2011.

Purchases from April 21, 2011 to April 30, 2011 will be charged to the new fiscal year in May 2011. Departments can create an accrual for these charges in fiscal year 2011 if they wish. . The accrual and reversal journals should be submitted to Finance by 4 P.M. on Friday, April 29, 2011.

No corrections to the PCard transaction will be accepted by journal entry.

Purchasing Requisitions

Procurement Services will accept purchasing requisitions for the current fiscal year until 4:00 P.M. on Friday, April 22, 2011. These requisitions will be processed against the current fiscal year budget allocation provided delivery of goods and services will be received by April 30, 2011. Please indicate the date that the goods or service is required on the requisition to expedite the order.

Please do not mail purchasing requisitions; if you feel there is insufficient time to meet the above deadline, you can hand deliver to Suite B, EOB or fax to 55630.

Receivables and Billings

a) External billings

Requests for billings to organizations and individuals outside of the University for goods and services rendered in April 2011 must be received by Finance on Thursday, April 28, 2011.

b) Internal billings of interdepartmental charges (journal transfers)

Interdepartmental charges are to be raised for all materials supplied and services rendered up to and including April 30, 2011. **These charges should be processed well before the year-end, so that the department being charged is aware of the amounts.** Departments that have received the materials and services are required to accept the charges as April expenses and charge them against the budget funds for the current fiscal year ending April 30, 2011. Requests for these charges must be received by Finance on Friday, April 29, 2011.

Travel and Other Advances and Expense Reports

To ensure all expenses get into the proper fiscal period, expense reports including the clearing of advances should be prepared as soon as the trip has been completed. At year-end these expenses should be submitted to Finance by April 28, 2011.

April Final Payrolls

The bi-weekly pay ending April 16, 2011 will be posted on or about May 2, 2011. The monthly payroll will be posted on April 26, 2011.

The bi-weekly pay ending April 30, 2011 will be posted in May 2011, fiscal year 2012.

Finance will create an accrual journal for bi-weekly pay ending April 30, 2011 centrally. If units wish to create an accrual in their own cost centre, please contact Smita Shah at ext. 44701.

Appendix I

York University Finance Department

Closing Timetable Fiscal 2011 Year-End Cut Off and Report Publication


The year-end for University operations is Friday, April 29th 2011. The cut-off dates for submission to Finance are set out below.

Procedure	When / Due in Finance
March final reports available on eReports	Friday, April 8 th
April reports available on eReports	Monday, April 11 th
April – Run 1 Close	
Purchasing requisitions for orders in this fiscal year, goods must be received by April 30 th	April 22 nd , 4:00 P.M.
Expense and petty cash reimbursement	April 28 th , 4.00 P.M.
External billings (Invoicing requisitions)	April 28 th , 4.00 P.M.
Payable invoices for goods and services received by year end	April 28 th , 4.00 P.M.
Foreign outgoing wires	April 28 th , 4.00 P.M.
Cash receipts – Canadian funds deposited to BMO	May 2 nd for receipts deposited April 29 th
Cash receipts – US & foreign deposited by General Accounting	May 2 nd for receipts deposited April 29 th
Electronic upload for credit cards	May 2 nd for receipts deposited April 29 th
Final AP cheque run for April	May 5 th
Budget allocation journals	April 29 th , 4.00 P.M.
Last journal (hard copy or electronic upload) processing date (Community)	April 29 th , 4.00 P.M.
April monthly payroll posted	April 26 th
April bi-weekly payroll ending April 16 th	April 29 th
April Run 1 report on web (refreshed daily)	May 9 th
April - Run 2 Close (adjustments only)	
Journals for deferral of revenue to the new year, prepaids, receivables, and accruals at least \$10,000 will be processed daily until May 11th. Otherwise, Finance approval is required.	May 11 th , 4:00 P.M.
April Run 2 final report on web (refreshed daily)	May 12 th
Account analysis (all balance sheet accounts and selected income/expense accounts)	May 13 th , 4:00 P.M.

Appendix II

Sample Account Analysis Template



	<p>York University</p> <p>Reconciliation and Analysis of Year-Over-Year Changes</p> <p>As at April 30, 2011</p>				
<p>Account - Fund - Cost Centre: _____</p> <p>Cost Centre Manager (per eReports): _____</p>					
<p>The purpose of this form is to certify that a year-end reconciliation has been performed and that the balance in the account is accurate.</p> <p>State purpose of account: _____</p>					
<p>Please complete Part A and/or Part B as applicable:</p>					
<p>PART A - Complete for Balance Sheet accounts only (all 00xxxx & 01xxxx account numbers) <small>(e.g account #s such as 001600, 004600, 010800, 012000 etc)</small></p>					
<p>The eReports account balance as at April 30, 2011 (per Run 1):</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">Amount</td> <td style="width: 50px;">A</td> </tr> <tr> <td style="text-align: center;">[]</td> <td></td> </tr> </table>	Amount	A	[]	
Amount	A				
[]					
<p>Please provide details & amounts for the account balance above. (See "Examples" tab)</p> <p>_____</p> <p>_____</p> <p>_____</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">See Attached</td> <td style="width: 50px;">A</td> </tr> <tr> <td style="text-align: center;">[]</td> <td></td> </tr> </table>	See Attached	A	[]	
See Attached	A				
[]					
<p>eReports April 30th balance (per Run 1):</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">0.00</td> <td style="width: 50px;">A</td> </tr> </table>	0.00	A		
0.00	A				
<p>Please list any adjusting entires to be processed and attach <u>COPIES</u> of adjusting journals:</p> <p>_____</p> <p>_____</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">0.00</td> <td style="width: 50px;">B</td> </tr> </table>	0.00	B		
0.00	B				
<p>Final year-end balance at April 30, 2011 (per Run 2):</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">0.00</td> <td style="width: 50px;">A + B</td> </tr> </table>	0.00	A + B		
0.00	A + B				
<p>PART B - Complete for EACH account on analysis request memo</p>					
<p>Analysis of Year-Over-Year Change:</p>					
<p>Balance as at April 30, 2010 (please enter last year's balance)</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">[]</td> <td style="width: 50px;">C</td> </tr> </table>	[]	C		
[]	C				
<p>Balance as at April 30, 2011</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">[]</td> <td style="width: 50px;">A</td> </tr> </table>	[]	A		
[]	A				
<p>Change</p>	<table border="1" style="float: right;"> <tr> <td style="width: 50px;">0.00</td> <td style="width: 50px;">A - C</td> </tr> </table>	0.00	A - C		
0.00	A - C				
<p>Major reason for year-over-year change (please provide a detailed explanation - see "Examples" tab):</p> <p>_____</p> <p>_____</p>					

REQUIRED SECTION - APPROVALS:

<p>Preparer and Approver cannot be the same person and Approver must have signing authority on cost centre. If reconciliation is prepared by cost centre manager, Approver must be cost centre manager's supervisor.</p>	
<p>I certify that a reconciliation has been performed and that the balance in the account is accurate.</p>	
<p>Working paper prepared by: _____</p> <p style="text-align: center;"><small>(print or type name)</small></p>	<p>Tel. _____ Date _____</p>
<p>Approver: _____</p> <p style="text-align: center;"><small>(print or type Approver's name)</small></p>	<p>_____</p> <p style="text-align: center;"><small>(Approver's signature)</small></p>
<p>_____</p> <p style="text-align: center;"><small>(Approver's title)</small></p>	
<p>Please return completed reconciliations to Financial Reporting (finrpt@yorku.ca), Finance Dept, Suite B, EOB by May 13, 2011.</p>	