

FINANCIAL FOOTNOTES

A publication of ASU Financial Services

Summer 2009
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Things to Remember for Fiscal Year End Close

Resources

- [Advantage Fiscal Year End Calendar](#)
- [FIN 105: Fiscal Year-End Closing](#)
- [What Is Year End? presentation](#)

IMPORTANT! Fiscal 2009 Documents Dates

After June 30th, all fiscal 2009 documents must have the following fields:

- Date of Record: 06 30 09
- Accounting Period: 12 09
- Fiscal Year: 09

Payroll Expenses for June 29 and 30

The final complete (2 week) payroll for fiscal 2009 which will interface into Advantage before we close the fiscal year will be for pay period June 15 through June 28. This payroll will be paid to employees on Thursday, July 2 (due to the holiday on July 3).

In order to fully account for fiscal 2009 payroll expenses, Financial Services will process entries for the estimated payroll expenses related to June 29 and June 30. Separate entries will post for salaries (expenditure code 711001) and nonstudent wages (expenditure code 712011).

In order to get these expenses posted to accounts before the departmental deadline of July 10 for processing fiscal 2009 Advantage documents, an estimate of the June 29 and June 30 payroll expenses must be made.

Payroll encumbrance balances after the July 2 payroll has interfaced into Advantage and encumbrances have reset will be used to make the entries. This reset should occur by July 6. The reset encumbrance balances will reflect the remaining regular pay due to most (non student) employees for June 29 and June 30.

The current plan is to post these expenses by employee for all state accounts. If that is not possible, consolidated entries (one for 7110 activity and one for 7120 activity) will be posted to each state account.

For local accounts, including sponsored accounts, consolidated entries (one for 7110 activity and one for 7120 activity) will be posted to each account.

No entry will be made for any non encumbered expenses (such as for vacation payouts or student wages), unless a request is made to [Tirscha Gomez](#) in Financial Services by July 9. Appropriate documentation will be required before any entries are processed.

Due to the complexity of the calculations, ERE expense entries will not be posted to departmental accounts. A university wide adjusting entry will be made for ERE expenses related to June 29 and June 30.

Due to the furlough program, outstanding encumbrances will be overstated by the value of furlough hours which were taken on June 29 and June 30. We realize this will add in most cases relatively small additional expenses on accounts. Financial Services will make adjustments to the posted payroll entries, at the request of departments. We ask that any requested adjustments exceed \$500. Please contact [Tirscha Gomez](#) if you have any questions.

Please note, these entries are estimates of the actual expenses for these two days. The transaction code for these entries will begin with "PRAC" in order to help distinguish them. The entries will be reversed from your accounts in fiscal 2010 as a credit to personal services expenses, again using codes 711001 and 712011. The reversal entries will have the transaction sequence of "PRRV". The actual expenses for these two days, along with the payroll expenses for the period July 1 through July 12 will post to your accounts when the regular payroll interfaces into fiscal 2010 Advantage, on or around July 20.

A summary of the steps to be taken during this process by Financial Services and by departments is located on page 2.

Audit Documentation Requirements

The fiscal 2009 financial audit of ASU by the State of Arizona Auditor General's Office is now underway. Many departments have been contacted by the auditors in regards to a review of selected payroll files/records. The auditors are also focusing on Purchasing Card transactions, as well as the regular review of other financial transactions.

Typically the auditors will request information from Financial Services or Human Resources, however this year the auditors did decide to directly interact with departments regarding the payroll part of their review. The department contact information was provided to the auditors by Financial Services based upon conversations with the dean's office or vice president's business areas. It is important for departments to respond to any auditors' information requests in a timely manner. If you have concerns or questions about any auditor request, please contact [Marilyn Mulhollan](#) in Financial Services.

The University is under a directive from the Board of Regents to issue its 2009 Financial Report on or before November 1. In order to achieve this directive, the auditors must be provided information within a very short timeframe.

As many of you are aware, the actual sample size used by the auditors is quite small given the size of the University. This puts exceptional importance on each item that is selected for review.

Therefore it is very critical for any transactions processed in the University's financial system (including P Card transactions) or through PeopleSoft to include:

- supporting documentation such as receipts, invoices, or for payroll transactions, documentation such as the following: offer letters or other written communication as to salary amounts,
- required approvals, which were obtained before processing,
- where applicable and not otherwise obvious, the business purpose of a transaction is explained, and
- P Cards statements which have been reviewed and signed by both the P Card holder and the second reviewer – at a minimum, within two weeks of receipt of the statements. (Preferred practice is for there to be an additional third review at a higher level such as the dean's office to verify there has been a second review on all P Card statements.)

These are the basic levels of documentation required for any use of University funds, no matter what the actual funding source (state appropriations, local revenues, gifts, or sponsored grants, etc.).

If you have questions regarding documentation issues, please contact your Financial Services or Grant and Contract Accounting accountant.

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June 29 and June 30 Payroll Expenses

FISCAL YEAR 2009	Financial Services Responsibility	Department Responsibility
State accounts (fund codes beginning with 1)	<ul style="list-style-type: none"> Process entries to increase salary and wage expenses using expense codes 711001 and 712011 for remaining payroll encumbrances. These entries will be posted on or around July 8, after the July 2 payroll has interfaced and encumbrances have reset. Entries will be by employee if possible. Documents will begin with sequence "PRAC". 	<ul style="list-style-type: none"> Review encumbrance balances after July 2 payroll has posted and encumbrances have reset. Review entries for reasonableness.
Local accounts (includes fund codes beginning with 2, 3, 4, 5, & 9)	<ul style="list-style-type: none"> Process entries to increase salary and wage expenses using expense codes 711001 and 712011 for remaining payroll encumbrances. These entries will be posted on or around July 8, after the July 2 payroll has interfaced and encumbrances have reset. One entry per account will post to 711001 and one to 712011 (as applicable). Documents will begin with sequence "PRAC". 	<ul style="list-style-type: none"> Review encumbrance balance after July 2 payroll has posted and encumbrances have reset. Review entries for reasonableness.
Salary or wage expenses which were not encumbered - such as vacation pay outs or student wages. (State and local accounts only.)	<ul style="list-style-type: none"> Process entries at request of departments. Documents will begin with sequence "PRAC". Activity per account should exceed \$500. 	<ul style="list-style-type: none"> Contact Tirscha Gomez in Financial Services at 5-6035 or email by July 9. Documentation must be provided. Review accounts no later than July 10th to make sure entries have been posted.
ERE - all accounts	<ul style="list-style-type: none"> No Advantage entry will be made. 	<ul style="list-style-type: none"> None.
Overstated expenses due to furlough savings related to June 29 and 30 furloughs.	<ul style="list-style-type: none"> Process entries at request of departments. Documents will begin with sequence "PRAC". Activity per account should exceed \$500. 	<ul style="list-style-type: none"> Contact Tirscha Gomez in Financial Services at 5-6035 or email by July 9. Documentation must be provided. Review accounts no later than July 10 to make sure entries have been posted.
Agency accounts	<ul style="list-style-type: none"> No Advantage entry will be made. 	<ul style="list-style-type: none"> None.
FISCAL YEAR 2010	Financial Services Responsibility	Department Responsibility
Reverse all fiscal 2009 payroll accrual entries.	<ul style="list-style-type: none"> Reverse all "PRAC" entries posted in fiscal 2009. 2010 reversal documents will begin with "PRRV". 	<ul style="list-style-type: none"> Review accounts to ensure reversal entries have been correctly posted.
Record expenses for July 17 payroll in Advantage.	<ul style="list-style-type: none"> On or around July 20, interface the actual payroll expense for the pay period June 29 through July 12. 	<ul style="list-style-type: none"> Resume normal payroll reconciliations once the July 17 payroll has posted.

ADVANTAGE FISCAL 2009 CLOSE - IMPORTANT DATES

DOCUMENTS

- June 25 - Deadline for all form transactions to HRIS for pay period ending 06/28/09, pay day of 07/02/09
- June 26 - Noon deadline to submit Accounts Receivable documents for FY09
Deadline for Staples orders using StaplesLink
Deadline for FY09 PDLVPOs
- June 30 - Deadline to process manual warrants for FY09 PVs
Deadline for Cashiering Services to process deposits and cash receipt documents in FY09
Deadline for FY09 PC/SC creation & increases
- July 1 - Deadline to submit FY09 Travel Claims to the Travel Office
Deadline to submit FY09 PVs and Petty Cash reimbursements to Accounts Payable
Deadline for FY09 RCs (for goods received by 06/30/09)
Deadline for FY09 PC/SC/PDLVPO Vendor Invoices
- July 2 - Deadline for FY09 Service Department II billings
Deadline for Inventory Counts to Financial Services
- July 6 - Deadline for FY09 PC/SC modifications (decreases only)
- July 7 - Deadline for payroll redistributions in HRIS to be recorded in FY09
- July 10 - Deadline for FY09 A1/J1/IX/TV documents
- July 15 - Deadline for VP Offices to balance accounts
- July 17 - FISCAL YEAR END CLOSE

PROCESSES/REPORTS

- June 30 - IDC/ASC FY09 interface
Final FY09 departmental AR interface
- July 6 - Payroll (encumbrances & expenses) interface for pay period ending 06/28/09. Encumbrances reset.
Final FY09 data entry by Accounts Payable
FY09 PO disencumbrance
FY09 PC/SC/PD disencumbrance and FY10 reencumbrance
FY09 Travel Document disencumbrance and FY10 reencumbrance
Special Check Run (no check run on 07/03/09)
- July 7 - Interim report distribution begins
Departments start using USR4 to determine state account balance
FY10 PO reencumbrance
- July 8 - Payroll accruals for 06/29/09 & 06/30/09 are posted
- July 8 - Daily IDC/ASC FY09 interface
- July 9 - **Payroll adjustments accrual information due to Financial Services (student wages, vacation payouts, etc)**
- July 16 - Final IDC/ASC FY09 interface
- July 17 - FISCAL YEAR END CLOSE
- July 22 - Final Advantage FY09 report distribution begins

FINANCIAL FOOTNOTES

Fiscal Year Closing: State Accounts

Prior Year Commitments are encumbrances which automatically remain on state accounts at fiscal year end. They are primarily for capital purchases. Budget increases are processed in the ensuing fiscal year on state accounts to fund the payment for these outstanding encumbrances. Any amounts remaining on state accounts as Prior Year Commitments should be reflected in state account balances on July 7.

Prior year commitments include:

- Capital purchases coded to object code 78XX - and related non-capital items on the same purchase order - \$500 minimum for total purchase order.
- Internal ASU POs with at least \$500 in outstanding balances to the following vendors:
 - FACMAN/ASUWFACMAN
 - IT/ASUWIT
 - BOOKSTORE (capital only)
 - CANON (capital only)
 - SUNCARD (building security/access projects)
 - COMPUTING (EDP services only, must be coded to 7310 31)
- **ASU STORES (capital only)**
- **FURNITURE**
- **CARPET**
- **Soft Encumbrances** - manually encumbered by Financial Services for special items for long-term projects subject to approval.
 - Departments must make a written request to their Financial Services accountant indicating the circumstances that qualify their request as a soft encumbrance.
 - Soft encumbrance requests must have VP/Provost Office approval before being submitted to Financial Services.
 - Effective for fiscal 2009: all soft encumbrance requests **must also be approved** by Morgan Olsen, Executive Vice President/Treasurer and CFO, areas for administrative area requests, or Provost Capaldi for academic unit requests.

Contact: [Financial Services accountants](#)

ERE Rates

- The methodology to charge ERE is changing effective June 29, 2009.
- All fiscal 2010 accounts, including state accounts, will be assessed ERE expenses.
- Departments will not be allowed to move state ERE budget (appropriation unit "E") to either personal services or operations appropriation units.
- ERE expenses will be budgeted and charged based upon an established rate by employee category.
- The Employee Class assignment to each employee in PeopleSoft will determine the employee category.

Fiscal Year 2010 - Final Rates

Employee Category	Employee Class	Rate	Advantage Object/ Subobject
Faculty	FAA, FAC	28.0%	7200.70
Staff	ACP, ADM, APA, CLS, DOC, SRP	34.0%	7200.71
Non-Benefits Eligible	Can include all employee classes	7.2%	7200.72
Students, excluding RA/TA	STU	1.0%	7200.73
Research/Teaching Assistants (RA/TA)	GRA	7.2%	7200.74

Research/Teaching Assistants & Associates (RA/TA) Tuition Remission. Additional information is posted on the [Commitment Accounting](#) website.

Contact: [Edalia Kousari](#) at 5-7428.

POLICY CHANGES

ASU FINANCIAL SERVICES POLICIES AND PROCEDURES MANUAL

EFFECTIVE JULY 1, 2009

FIN 106 - MONTH-END CLOSING

Update for change in practice in closing month from two business days to three business days after the end of the month. Any changes in schedule will be announced on the [Financial Services News](#) website.

FIN 204-02 - ADDITIONS/CHANGES/DELETIONS IN ADVANTAGE USER IDS

New Advantage User IDs and demographic or security changes to current Advantage User IDs will need to use the online "Request for Advantage Financial System Access" form.

If an employee changes departments or changes roles and access will need to be modified based on this change, an e-mail with changes can be sent to AdvantageHelp@asu.edu.

No action will need to be taken by departments for terminated employees as this will be automatically completed when they are terminated in PeopleSoft.

FIN 206 - ADMINISTRATIVE SERVICE CHARGE

Updated to reflect current practice of assessing the administrative services charge once a week.

FIN 213 - ESTABLISHMENT OF RESALE ACTIVITIES TO THE GENERAL PUBLIC

Now includes Clay Sampling Tests, provided by the Biodesign Institute at ASU, as one of the activities or programs authorized as a resale activity.

FIN 420-01 - FACULTY AND STAFF REIMBURSEMENTS

Requires employees who receive third party reimbursement for expenses paid or reimbursed by ASU to return those funds to ASU.

FIN 420-08 - OUT-OF-STATE EMPLOYEES - AUTHORIZATION AND RELATED COSTS

Policy established regarding requirements for hiring and/or (re)assigning employees who work at a site not located within the State of Arizona, and the related costs of such arrangements.

FIN 500 - TRAVEL

Requires travelers who receive third party reimbursement for expenses claimed on the ASU travel reimbursement, including any travel pre-payments ASU made to the traveler, to return those funds to ASU.

Tax Workshops

The Tax Unit is offering the following workshops:

- "ASU and Foreign Visitors - Immigration and Tax Issues" on July 29 from 8:30 to 11:30 in the MU, and
- "Moving Expense Reimbursement Process" on October 6 from 9 to 11 at USB.

To register go to the [HR's Learning & Performance Solutions](#) page and click on Course Search; you will need to sign in with your ASUrite id.

Contact: [Kathy McQuitty](#) at 5-8479.