

NTID Fiscal Year Close 2019

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NTID FINANCE AND BUDGET OFFICE

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NTID Fiscal Year Close Objectives

- Understand NTID's Close Out Process
- Review Timeline Key Dates
- Know what the different closeout actions are
- Examples

Key Accounting Terms

- Accruals
- Encumbrances
- Prepaids
- Program Change Memo (PCM)
- Journal Entry
- Deferred Income
- Travel Expense Reimbursement (TER)
- Invoice Payment Forms (IPF)

Timeline – Key Dates

- **9/24/2019** PCMs to address Department deficits >\$50 to NTID Finance & Budget
- **9/25/2019**
 - IPFs (Invoice Payment forms) and **approved** TERs (Travel Expense Reports) to RIT Accounts Payable Office
 - Work Encumbrance Report to get all open Purchase Orders paid
 - Any Open Purchase Orders not invoiced or goods/services not received need to be provided to NTID Finance and Budget by 9/25/2019 so they can be Encumbered.
- **9/26/2019** All Petty Cash Vouchers and Deposits must be received by Student Financial Services
- **10/2/2019** Changes to Procurement Card account #s entered in ActivePay
- **10/4/2019** Requests to President's Office Student Worker fund reimbursements to NTID Finance & Budget
- **10/15/2019** Final Adjustment PCMs (if needed after review of Preliminary Department Statement)
- **Journal Entry Deadlines**
 - 4:30 p.m. 10/9/2019 – Preliminary Close
 - 4:30 p.m. 10/16/2019 for Final Close

Types of Closeout Actions

- Open Purchase Orders, IPFs, TERS – Follow up and ensure payment
- Accruals – Items or services received in FY 2019 but not yet paid.
 - When paid in FY2020, will not be a FY2020 expense
- Deferred Income – NTID received income in advance of providing service.
 - Registration payment received in advance of NTID sponsored event. Not recognized as revenue in current year. (i.e. NTID Job Fair)
- Prepaids – Paid for in 2019 but receipt takes place in new FY
 - Payments by NTID faculty/staff for conferences.
 - Not an expense in 2019

Examples

1. In July 2019, your department issued a purchase order for 12 chairs, which are received in October 2019. The cost of the chairs is a FY20 (next year's) expense because the chairs were received in FY20 (after September 30, 2019).
2. In October 2019, your department receives an invoice for a reference textbook received in September 2019. The cost of the textbook will be charged to your FY19 (this year's) budget since the textbook was received in FY19 (prior to October 1, 2019).

Recognize expenses in the year that the goods or services were received.

Examples – cont'd

For all goods and/or services received on or before September 30 for which the vendor has not provided an invoice, an accrual journal entry needs to be prepared by NTID Finance and Budget.

Valid documentation includes: packing slip/receipt showing the receipt date. We will Debit the appropriate expense account for your department and credit the accounts payable accrual account: 01.15199.32900.00.00000.00000. When the actual invoice is received, indicate on the face of the invoice “Accrued FY19”. The payment will be processed with no impact to your FY20 budget.

Example: . Your department contracted for consulting services provided during July and August 2019. The consultant has not sent an invoice. Prepare a “Year-End Accrual” journal entry with the anticipated amount due to the consultant. This amount will be charged to your FY19 budget through the accrual process and reversed in FY20. When the invoice arrives, mark it prominently with “Accrued FY19” prior to sending to Accounts Payable. The invoice will be paid in FY20.

Examples – Cont'd

Prepaid Expenses During latter part of the fiscal year, there are instances where expenses are prepaid relating to the following year's (FY20) budget. Examples are; maintenance and service contracts, fees for seminars, membership dues, and subscriptions. Submit invoices to Accounts Payable marked "FY20 Prepaid Expense." After verifying dates of service, AP will charge these expenses to a prepaid general ledger account in FY19. These payments will not be reflected against the FY19 budget

Example: In August 2019, you charge a registration fee for a conference being held in November 2019 on your procurement card. Prepare a journal entry (Oracle category = Prepaid) and email Accounting - postmyje@rit.edu, indicating the batch name in the subject line. Valid documentation includes: invoice/receipt showing the event date and a copy of the transaction record from ActivePay. Debit the prepaid account 01.15199.09000.00.00000.00000 with a line description: date of event, name of vendor & invoice #. Credit the appropriate expense account for your department. This entry will be automatically reversed in October 2019, charging the expense against your FY20 budget.

In Conclusion

- NTID Fiscal Year Close has same requirements as RIT FY close
- We depend on Departments to complete the required actions by the established dates
- If unsure about something, ask for clarification/help right away.
- Adherence to the closeout timeline helps to ensure a smooth fiscal year close.
- Will advise Departments when FY2020 Budget year is open.

Questions?

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