



# MEMORANDUM

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**TO:** Administrators

**DATE:** REVISED: April 3, 2020

**RE: 2020 Year End Timelines and Procedures**

6 Pages + Attachments

The university's fiscal year end process is currently ongoing. Because of disruptions we have experienced this cycle, we have adjusted the Year End Timelines to add in time for our finance community where possible. Changes to the original schedule are highlighted in yellow throughout this document. Deadlines that are complete as of April 3 2020 are in grey.

Adherence to the year-end cut-off dates is critical to provide adequate time for the preparation of year-end financial statements and audit working papers. With your assistance, we will be able to meet our provincial reporting requirements.

This year's cut-off for year-end processing was ~~Wednesday, April 8<sup>th</sup>.~~

The revised cut-off for year-end processing is **Wednesday, April 15<sup>th</sup>.**

The Provincial Government deadline for year-end financial statements is now April 24, 2020.

In the effort to streamline the year-end process, we have consolidated our campus-wide submission dates into one schedule. The first March ledgers were made available online on **April 3**. The second ledgers for the 2019/2020 fiscal year will be available for UBC's departments on the morning of ~~April 14~~ **April 16**.

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## Over/Under Reports

Reports are located on the Management Systems Portal in the *Financial Applications Home* section. Have your Systems Administrator contact [peoplesoft.support@ubc.ca](mailto:peoplesoft.support@ubc.ca) if you require assistance in connecting to this.

The reports will be run monthly to February 2020. Weekly reports will be run during March 2020. Daily reports will be run starting from April 1, 2020 to April 15, 2020. The run date will be in the heading of the report.

## Year End Schedule

These are the deadlines for the submission or processing of transactions for all university financial activities. Take note of the following:

- Process, or submit for processing, the majority of transactions in advance of the final dates. Please do not leave it to the last minute.
- Clearly write "19/20" on the top of each document to be entered into the 2019/2020 fiscal year.
- Please do NOT submit items to be processed in the 2020/2021 fiscal year until April 9<sup>th</sup>, 2020.
- Departments who regularly key their own items should not send Journal Vouchers, non-Web Cash Receipts, Travel Requisitions, Requisitions for Payment or AP invoices to Payment & Procurement Services for keying at year-end.

Date	Day	Time	Deadlines
March 20	Friday	N/A	Vendor setup:  Last day to submit a request to set up a new vendor (vendor details, banking information, etc.) with UBC. Includes FMS-certified groups.
March 20	Friday	12:00pm noon	Wire or bank draft payment requisitions:  Last day to submit materials (banking information, invoices, etc.) to Accounts Payable for payments that require a wire transfer or bank draft as forms of payment.
March 23	Monday	4:00pm	AP submission:  All submissions (invoices, Smartforms, etc.) for the 2019/2020 fiscal year <b>MUST</b> be received by Accounts Payable by 4:00pm.
March 25	Wednesday	3:30pm	First March PCard reconciliation:  This is the routine reconciliation deadline for the month of March (Feb 16 to March 15).
March 27	Friday	4:00pm	Excel and interface:  This is the first cut-off for all groups to submit Excel JV spreadsheets and Interface materials for the first ledger run.
March 27	Friday	4:00pm	OPT transactions:  This is the hard cutoff for final approval and processing of OPT transactions, including Visa card transactions. All eForms must be fully approved in Integration Broker to be posted to the 2019/2020 fiscal year. Any OPT entries made after this point will not be included in the 2019/2020 fiscal year.

Date	Day	Time	Deadlines
March 30	Monday	12:00pm	March payroll:  March hourly timesheets to Payroll
March 30	Monday	4:00pm	FMS-certified group entering:  Last day for all FMS-certified groups to enter any transaction into FMS (includes journal vouchers and requisitions for payment, etc.) for the first ledger run.
March 30	Monday	4:00pm	AP processing:  Central Accounts Payable will stop processing materials for the 2019/2020 fiscal year (for all groups) to allow for our year-end financial processes to run.
April 1	Wednesday	3:30pm	Second March PCard reconciliation:  For March we run a second reconciliation deadline to capture the end of the month for year-end purposes (March 16 to 31).
April 2 <b>April 3</b>	Thursday <b>Friday</b>		First March ledgers available and distributed:  Financial Systems will run the first ledgers for the 2019/2020 fiscal year on April 1 (overnight). Online users will have their ledgers available for review in the morning on April 2, and paper recipients will receive their ledgers on April 2 by 12:00pm noon. This ledger will capture final payroll entries.
April 3 <b>April 6</b>	Friday <b>Monday</b>	4:00pm <b>12:00pm</b>	Manual JV submissions (non-FMS-certified groups):  All manual journal vouchers not using Excel spreadsheets (including inter, intra, accruals, etc.) must be supplied to Accounts Payable by <del>4:00pm</del> <b>12:00pm</b> in order to be captured in the 2019/2020 fiscal year.
April 3 <b>April 6</b>	Friday <b>Monday</b>	4:00pm <b>12:00pm</b>	Excel and Interface:  This is the final cut-off for all groups to submit Excel JV spreadsheets and Interface materials for the second ledger run.
April 6 <b>April 8</b>	Monday <b>Wednesday</b>	4:00pm <b>4:00 pm</b>	Inter-Departmental JV (FMS-certified groups):  Cut-off for FMS-certified groups to enter Journal Vouchers charging other departments/faculties (inter-department).

Date	Day	Time	Deadlines
April 8 <b>April 15</b>	Wednesday <b>Wednesday</b>	12:00pm <b>12:00pm</b>	Intra-Departmental JV (FMS-certified groups):  Cut-off for FMS-certified groups to enter Journal Vouchers within the same department/faculty (intra-department) by 12:00pm noon.
April 8 <b>April 15</b>	Wednesday <b>Wednesday</b>	12:00pm <b>12:00pm</b>	Accruals, prepaid, and deferred revenue (FMS-certified groups):  This is the final cut-off to have all accruals, prepaid, and deferred revenue booked in FMS. All requests and related documents need to be received in Financial Operations no later than 12:00pm noon.  FMS-certified groups are responsible for keying in their own entries by this cut-off.
April 14 <b>April 16</b>	Tuesday <b>Thursday</b>	AM <b>AM</b>	Second March ledgers available:  The second ledgers for the 2019/2020 fiscal year will be available for UBC's departments.
April 15 <b>April 21</b>	Wednesday <b>Tuesday</b>	12:00pm <b>12:00pm</b>	YE checklists and supporting documentation:  Please refer to the end of this document for the accounting treatment of amounts accrued including: <ul style="list-style-type: none"> <li>- Expense accruals – accrued liabilities</li> <li>- Prepaid expense</li> <li>- Deferred revenue</li> <li>- Revenue accruals – accounts receivable</li> </ul> Please complete the respective checklists and return to the email addresses provided.
April 30	Thursday	12:00pm noon	Over/under reports:  Final over/under reports distributed.

## **Accruals**

An accrual is an accounting entry that is required to ensure that revenue and expenses are recorded in the correct period to accurately reflect the revenue earned and expenses incurred in fiscal 2019/20.

Ensuring that accruals are correctly recorded is always an area of risk and it is very important that finance leads in each unit review and ensure that the appropriate revenue and expenses are correctly accounted for.

### **Guideline:**

A general guideline to identify and determine if an accrual is required transactions greater than \$50,000. However, professional judgment is required to ensure that the financial results of individual units are appropriately and accurately represented as at March 31, 2020.

### **Deadlines for accrual JV's:**

Please refer to the timetable above.

FMS certified groups are responsible for entering their accrual entries in FMS by the JV deadline of ~~April 8, 2020~~ **April 15, 2020**.

Non-FMS certified groups must submit their accrual entries to Financial Operations by the JV deadline of ~~April 3, 2020~~ **April 6, 2020**. Please ensure these are correctly identified as ACCRUALS.

### **1. Expense accruals**

Expense accruals represent goods that have been received or services that have been incurred by March 31, 2020 but have not yet been paid.

This will exclude invoices sent in for processing provided they were received within the deadlines.

An expense accrual is recorded as a liability on the balance sheet in account code 221000 Accrued liabilities-yearend.

A payroll-related accrual is recorded as a liability on the balance sheet in account code 221100 Accrued liabilities-payroll.

#### Accrual for Deans' Admin Leave

The accrual for Deans' Admin Leave should continue to be recorded by each respective faculty. Please coordinate with Jenny Lum in VPA to ensure accruals are consistent with prior year amounts.

### **2. Prepaid Expenses**

Prepaid Expense represents cash paid **in advance** of the receipt of the goods or services incurred. A prepaid expense is recorded as an asset on the balance sheet in account code 161000 Prepaid expenses.

Prepaid expense may result from multi-year arrangements if they were paid in advance.

As the goods and services are received, they are recorded on the income statement.

### **3. Deferred Revenue**

Deferred revenue represents cash received **in advance** of goods sold or services provided. A deferred revenue is recorded as a liability on the balance sheet in account codes 241000 Deferred revenue or 241999 Deferred revenue-Yearend.

As the goods are delivered or the services are rendered, they are recorded on the income statement as revenue. An example of a deferred revenue is the portion of tuition received for a course or semester that will be taking place in the future.

### **4. Accounts receivable / Revenue accruals**

Revenue accruals represents goods sold or services provided in fiscal 2019/20 where payment has yet to be received as at March 31, 2020.

This will exclude invoices already recorded in accounts receivable.

An accounts receivable is recorded as an asset on the balance sheet in account code 135000 AR-Yearend accruals.

### **Internal Sales Reporting**

Internal departmental services are created when one University department sells goods or services to another. In order to correctly recognize revenue and expenses in the University's consolidated financial statements, internal revenue must be eliminated against internal expenses upon consolidation.

In the coming months prior to year-end, please ensure all internal sales are coded correctly and take the time to review what your department has coded as "internal" in the financial management system. If journals need to be changed, make sure that all adjustments for internal transactions are made prior to year-end.

### **YE Checklists**

To facilitate the review of accrual accounts and to ensure appropriate cut-off procedures were performed, please complete the attached checklists by ~~Wednesday, April 15~~ **Tuesday, April 21, at 12:00pm noon** to the following email addresses:

1. YE checklist - Expense Accruals, Prepaid Expenses & Deferred Revenue  
Key Contact: [yearend.liabilities@ubc.ca](mailto:yearend.liabilities@ubc.ca)
2. YE checklist - Accounts Receivable  
Key Contact: [yearend.receivables@ubc.ca](mailto:yearend.receivables@ubc.ca)

## 2020 YEAR END Accruals Checklist

Please complete and submit this form irrespective of the volume or value of transactions.

DEPT. NO. \_\_\_\_\_ DEPT. NAME \_\_\_\_\_

DEPT ADMINISTRATOR \_\_\_\_\_ (Name & Tel.)

	Procedure	Response (Y/N)	Done By / Date
1.	<p><b>Expense Accruals</b>  <b>Account codes:</b>  <b>221000 Accrued liabilities-yearend</b>  <b>221100 Accrued liabilities-payroll</b></p> <p>a) Were all invoices for fiscal 2019/20 processed by or sent to Financial Operations?  b) Were any invoices accrued in the department as of March 31, 2020?  c) If invoices were accrued, were they checked to ensure the invoice related to the fiscal 2019/20 period?  d) Were any invoices for the fiscal 2019/20 period not accrued? If yes, provide a brief explanation.  e) If an accrual was made prior to the receipt of an invoice, is there appropriate support to ensure the expense relates to fiscal 2019/20?  f) If an expense accrual is recorded as a liability on the balance sheet in an account code <u>other than</u> 221000 and 221100, please provide supporting documentation for these expense accruals.</p>		
2.	<p><b>Prepaid expense</b>  <b>Account code:</b>  <b>161000 Prepaid expenses</b></p> <p>a. Were any invoices paid in fiscal 2019/20 related to goods and/or services in future fiscal periods?  b. If yes, were any of these payments recorded as prepaid expenses?  c. Were these reviewed to ensure they were correctly accounted for?  d. Were multi-year arrangements reviewed to ensure that they were correctly accounted for in fiscal 2019/20?  e. If a prepaid expense is recorded as an asset on the balance sheet in an account code <u>other than</u> 161000, please provide supporting documentation for these prepaid expenses.</p>		

	<b>Procedure</b>	<b>Response (Y/N)</b>	<b>Done By / Date</b>
3.	<p><b>Deferred Revenue Accruals</b>  <b>Account codes:</b>  <b>241000 Deferred revenue</b>  <b>241999 Deferred revenue-Yearend</b></p> <p>a) Were any cash receipts received in fiscal 2019/20 related to future fiscal periods?  b) If yes, were any of these cash receipts recorded as deferred revenue?  c) Were they reviewed to ensure that they were correctly accounted for?  d) Were multi-year arrangements reviewed to ensure that they were correctly accounted for in the 2019/20 fiscal year?  e) If a deferred revenue is recorded as a liability on the balance sheet in an account code <u>other than</u> 241000 and 241999, please provide supporting documentation for these deferred revenue accruals.</p>		
4.	<p><b>Account reconciliations</b>  <b>Any PG with a balance &gt;\$250,000 in the account codes listed above, please provide:</b></p> <p>a) A reconciliation of the account balance for the PG at March, 31 2020.  b) Supporting documentation including invoices, receiving documents, cash receipts and supporting calculations with emphasis on external supporting documentation.  c) Analysis of significant variances from last year.</p>		

Please return this by ~~Wednesday April 15~~ **Tuesday, April 21 2020**, at 12:00pm noon to:  
**Year End Accruals Checklist**  
Email: [yearend.liabilities@ubc.ca](mailto:yearend.liabilities@ubc.ca)



**2020 YEAR END  
ACCOUNTS RECEIVABLE  
Checklist**

Please complete and submit this form irrespective of the volume or value of transactions.

DEPT. NO. \_\_\_\_\_ DEPT. NAME \_\_\_\_\_

DEPT ADMINISTRATOR \_\_\_\_\_ (Name & Tel.)

	<b>Procedure</b>	<b>Response</b>	<b>Done By / Date</b>
1.	Confirm that all cash receipts related to fiscal year 2019/20 were deposited at the bank by March 31, 2020.		
2.	Confirm that cash receipts deposited after March 31, 2020 but relate to fiscal year 2019/20 were recorded as accounts receivable.		
3.	Confirm amounts recorded as accounts receivable as of March 31, 2020 are related to goods/services provided in fiscal 2019/20 and are collectible.		
4.	<p>Prepare a reconciliation with a detailed listing of receivables by counterparty supporting the March 31, 2020 receivable balance (Account code 135000 AR-Yearend accruals) for each PG.</p> <p>Provide the age of the receivables (i.e.) number of days outstanding. For amounts greater than 90 days provide the following:</p> <ul style="list-style-type: none"> <li>a) Is this collectible?</li> <li>b) What steps have been taken to attempt collection?</li> <li>c) Should part or all of this amount be written-off?</li> </ul> <p>If an accounts receivable is recorded as an asset on the balance sheet in an account code <u>other than</u> 135000, please provide supporting documentation for these revenue accruals.</p>		
5.	<p><b>Account reconciliations</b> <b>Any PG with a balance &gt;\$250,000 in G/L account code 135000 AR-Yearend accruals, please provide:</b></p> <ul style="list-style-type: none"> <li>a) A reconciliation / listing supporting the account balance for the PG at March, 31 2020.</li> <li>b) Supporting documentation including invoices and cash receipts</li> <li>c) Analysis of significant variances from last year.</li> </ul>		
6.	<p><b>Internal sales</b></p> <p>Identify any balances that the counterparty is a UBC unit.</p>		

Please return this by ~~Wednesday April 15~~ **Tuesday, April 21**, 2020 at 12:00pm noon to:

**Year End Accounts Receivable Checklist**

Email: [yearend.receivables@ubc.ca](mailto:yearend.receivables@ubc.ca)