



MEMORANDUM

Department of Financial Reporting
Suite 200, 2386 East Mall
Vancouver, BC V6T 1Z3
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TO: Administrators

DATE: February 21, 2019

RE: 2019 Year End Timelines and Procedures

6 Pages + Attachments

The University's fiscal year-end of March 31, 2019 is fast approaching and similar to prior years, we ask for your assistance to ensure that all charges relating to the current fiscal year 2018/19 are included in this year's financial results.

This year's cut-off for year-end processing is **Monday, April 8th**.

The Provincial Government deadline for year-end financial statements is April 18, 2019. 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.

In the effort to streamline the year-end process, we have consolidated our campus-wide submission dates into one schedule. The first March ledgers will be available to online users for review on April 2nd, and paper recipients will receive their ledgers by April 3rd at 12:00pm noon. The second ledgers for the 2018/2019 fiscal year will be available for UBC's departments on April 10th.

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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 if you require assistance in connecting to this.

The reports will be run monthly to February 2019. Weekly reports will be run during March 2019. Daily reports will be run starting from April 1, 2019 to April 12, 2019. 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 '18/19' on the top of each document to be entered into the 2018/19 fiscal year.
- 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 21	Thursday		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 22	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 25	Monday	12:00pm noon	AP submission: All submissions (invoices, etc.) for the 2018/2019 fiscal year MUST be received by Accounts Payable by 12:00pm noon.
March 25	Monday	3:30pm	First March PCard reconciliation: This is the routine reconciliation deadline for the month of March.
March 28	Thursday	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. This is the final cut-off to submit Smartforms to be posted to the 2018/2019 fiscal year.
March 29	Friday	12:00pm noon	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 2018/2019 fiscal year. Any OPT entries made after this point will not be included in the 2018/2019 fiscal year.

Date	Day	Time	Deadlines
March 29	Friday	2:00pm	<p>FMS-certified group entering:</p> <p>Last day for all FMS-certified groups to enter any transaction into FMS (includes journal vouchers and requisitions for payment, OPT transactions, etc.) for the first ledger run.</p>
March 29	Friday	4:00pm	<p>AP processing:</p> <p>Accounts Payable will stop processing materials for the 2018/2019 fiscal year (for all groups) to allow for our year-end financial processes to run.</p>
April 1	Monday	3:30pm	<p>Second March PCard reconciliation:</p> <p>For March we run a second reconciliation deadline (after the 25th) to capture the end of the month for year-end purposes.</p>
April 1	Monday	4:00pm	<p>March payroll:</p> <p>March hourly timesheets to Payroll</p>
April 2-3	Tuesday - Wednesday		<p>First March ledgers available and distributed:</p> <p>Financial Systems will run the first ledgers for the 2018/2019 fiscal year on April 1st. Online users will have their ledgers available for review on April 2nd, and paper recipients will receive their ledgers by April 3rd at 12:00pm noon.</p>
April 5	Friday	4:00pm	<p>Manual JV submissions (non-FMS-certified groups):</p> <p>All manual journal vouchers not using Excel spreadsheets must be supplied to Accounts Payable by 4:00pm in order to be in the 2018/2019 fiscal year.</p>
April 5	Friday	4:00pm	<p>Excel and interface:</p> <p>This is the final cut-off for all groups to submit Excel JV spreadsheets and Interface materials for the second ledger run.</p>
April 7	Sunday	12:00pm noon	<p>Inter-Departmental JV (FMS-certified groups):</p> <p>Cut-off for FMS-certified groups to enter Journal Vouchers charging other departments/faculties (inter-department) by 12:00pm noon.</p>

Date	Day	Time	Deadlines
April 8	Monday	12:00pm noon	<p>Intra-Departmental JV (FMS-certified groups):</p> <p>Cut-off for FMS-certified groups to enter Journal Vouchers within the same department/faculty (intra-department) by 12:00pm noon.</p>
April 8	Monday	12:00pm noon	<p>Accruals, prepaid, and deferred revenue (FMS-certified groups):</p> <p>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.</p> <p>FMS-certified groups are responsible for keying in their own entries by this cut-off.</p>
April 9	Tuesday	12:00pm noon	<p>Accounts payable and accounts receivable audit programs:</p> <p>Every year we collect information from UBC's faculties and administrative units to meet external audit requirements. Refer to the respective audit programs at the end of this memo for details.</p>
April 10	Wednesday	AM	<p>Second March ledgers available and distributed:</p> <p>The second ledgers for the 2018/2019 fiscal year will be available for UBC's departments.</p>
April 30	Tuesday	12:00pm noon	<p>Over/under reports:</p> <p>Final over/under reports distributed.</p>

Accruals

In most cases, your financial transactions will be recorded in your accounts simply as a result of meeting the processing deadlines. However, if deadlines are missed, material transactions must be accrued so that these are included in the 2018/19 financial statements. An accrual is an accounting entry that is required to ensure that revenues and expenses recorded in the period accurately reflect the revenue earned and expenses incurred in that period.

Note: Expenses can only be accrued where the related goods or services have been received on or before March 31, 2019.

1. Expense Accrual - Large dollar invoices or expenses (greater than \$25,000) that have not been entered into the A/P system which relate to 2018/19 should be copied and sent to Financial Operations for accrual. Write '**18/19 for Accrual**' on the Invoice/Requisition for Payment copy.
2. Revenue Accrual - For all deposits (using the Web or manual form) relating to 2018/19 fiscal year and made after March 31st, make the deposit like normal but send a **copy** of the Cash Receipt and related back-up to Financial Operations for accrual into the 2018/19 fiscal year. Write '**18/19 for Accrual**' on the documents.

All accrual requests and related documents need to be received in Financial Operations for accrual no later than **Monday, April 8th at 12:00pm noon**. All FMS-certified groups are responsible for keying in their own accrual entries.

Our external auditors have previously identified a significant audit adjustment in relation to inadequate accruals being recorded. As a result, this will continue to be a focus area for the FY2019 audit; it is crucial for finance leads at each unit to ensure that all expenses relevant to the fiscal period is appropriately recorded and accrued.

Accrual for Deans' Admin Leave

The accrual for Dean's 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.

Prepaid Expenses

Prepaid Expense is an accounting term signifying money paid for goods or services before the goods have been delivered or before the services have been completely rendered. A prepaid expense is considered an asset on the balance sheet. As the goods are delivered or the services are rendered, they are recorded on the income statement. An example of a prepaid expense is the unexpired portion of a 3-year maintenance agreement which covers the period from July 1, 2016 to June 30, 2019. The prepaid expense amount will be the equivalent of the maintenance cost from April 1, 2019 to June 30, 2019, the unexpired period.

Please review your multi-year service contracts and your advance payment contracts for goods (if any) to determine if prepaid expenses need to be recognized. Where the prepaid expense is material (greater than \$25,000), use account code 161000 when recognizing the prepayment.

All FMS-certified groups are responsible for keying in their own prepaid expense entries. For departments with no online access, please send all prepayment journals and related documents to Financial Operations for recognition no later than **Monday, April 8th at 12:00pm noon.**

Deferred Revenues

Deferred revenue is an accounting term signifying money received for goods or services in advance of the goods being delivered or before the services being completely rendered. A deferred revenue is considered a liability on the balance sheet. 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.

Please review your cash receipts to identify any potential payments received for goods to be delivered or services to be rendered in the future. Where the deferred revenue is material (greater than \$25,000), use account codes 241000 or 241999 when recognizing the advanced cash receipt.

All FMS-certified groups are responsible for keying in their own deferred revenue entries. For departments with no online access, please send all deferred revenue journals and related documents to Financial Operations for recognition no later than **Monday, April 8th at 12:00pm noon.**

Audit Programs

KPMG will be undertaking an audit of the financial statements of the University for the financial year ended March 31, 2019. KPMG has requested certain information for the purposes of expressing an opinion on our financial statements.

In order for Finance to provide the information requested and meet other reporting and audit requirements, the attached Audit Programs are to be completed and returned to Financial Operations by **Tuesday, April 9th at 12:00pm noon.**

1. Accounts Payable Audit Program
Key Contact: yearend.liabilities@ubc.ca
GL Account Codes: 211000 to 242000
2. Accounts Receivable Audit Program
Key Contact: yearend.receivables@ubc.ca
GL Account Codes: 131000 to 135000

Internal Sales Reporting

Internal departmental services are created when one University department sells goods or services to another. In order to correctly recognize revenues and expenses in the University's consolidated financial statements, internal revenues 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.



THE UNIVERSITY OF BRITISH COLUMBIA

2019 YEAR END ACCOUNTS PAYABLE AUDIT PROGRAM

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	Processing and accruing of invoices for the fiscal 2018/19 period: <ul style="list-style-type: none">a) Were all invoices for fiscal 2018/19 processed by or sent to Financial Operations?b) Were any invoices accrued in the department as at March 31, 2019?<ul style="list-style-type: none">• For any invoice >\$99,999 include a copy of JV & supporting documentsc) If invoices were accrued, were they checked to ensure the invoice related to the fiscal 2018/19 period?d) Were any invoices for the fiscal 2018/19 period not accrued? (If yes, provide a brief explanation).		
2.	Deferred Revenues (account 241000 or 241999): <ul style="list-style-type: none">a) Does the department record any entries to either Deferred Revenue GL accounts?<ul style="list-style-type: none">• If yes, provide a brief explanation of what is deferred and why.• For any JV >\$99,999 to either account include a copy of the JV and supporting documents.		
3.	Any PG with a balance >\$99,999 in any G/L account between 211000 through 242000 include: <ul style="list-style-type: none">a) A reconciliation or listing supporting the account balance for the PG at March, 31 2019.b) Copies of invoices or other supporting documentation for individual amounts including journal entries >\$99,999.		

Please return this by Tuesday, April 9, 2019 at 12:00pm noon to:

Year End AP Audit Program

Financial Operations – Financial Systems

Email: yearend.liabilities@ubc.ca



THE UNIVERSITY OF BRITISH COLUMBIA

2019 YEAR END ACCOUNTS RECEIVABLE AUDIT PROGRAM

Please complete and submit this form irrespective of the volume or value of transactions if you reported departmental AR balances (FMS GL Codes 131000-135000).

DEPT. NO. _____ DEPT. NAME _____

DEPT ADMINISTRATOR _____ (Name & Tel.)

Steps 1, 2, 3, and 4 are for Accounts Receivable (AR) (FMS GL Codes 131000-135000) that represents amounts that have been invoiced and included in the individual departmental AR balances at March 31, 2019.

Step 5 relates to Internal Accounts Receivable billing where the client is a UBC department.

Steps 6 and 7 are process and variance analysis for the AR balances.

	Procedure	Response	Done By / Date
1.	Confirm that all cash receipts related to fiscal year 2018/19 were either deposited at the bank by March 31 st via the Web Cash Receipt or were set up as a receivable in the March accounting period.		
2.	Forward to Finance a detailed listing of receivables, which supports the March 31 st receivable balance (accounts 131000-135000) for each PG.		
3.	On the detailed AR list, note the number of days that the receivable has been outstanding. If the item has been overdue by more than 90 days, please do the following: a) Mark an asterisk next to the item where the chance of receiving payment is low. b) If items have a low possibility of recoverability, indicate the reason and detail the steps that have been taken to attempt collection. c) Indicate if you believe the account should be written off as uncollectible.		
4.	Provide copies of invoice or other supporting documentation to Finance where Program/Grant (PG) accounts have individual balances that exceed \$99,999 as at March 31, 2019.		



THE UNIVERSITY OF BRITISH COLUMBIA

2019 YEAR END ACCOUNTS RECEIVABLE AUDIT PROGRAM

Please complete and submit this form irrespective of the volume or value of transactions if you reported departmental AR balances (FMS GL Codes 131000-135000).

DEPT. NO. _____ DEPT. NAME _____

DEPT ADMINISTRATOR _____ (Name & Tel.)

Steps 1, 2, 3, and 4 are for Accounts Receivable (AR) (FMS GL Codes 131000-135000) that represents amounts that have been invoiced and included in the individual departmental AR balances at March 31, 2019.

Step 5 relates to Internal Accounts Receivable billing where the client is a UBC department.

Steps 6 and 7 are process and variance analysis for the AR balances.

	Procedure	Response	Done By / Date
5.	In the detailed listing of receivables provided to Finance in item #2, identify which receivable relates to an <u>internal</u> AR billing and the account code credited when the internal AR billing is recognized.		
6.	Provide a description of the process used to determine the amounts receivable, including how the amounts were identified and how you ensured that the balances at March 31, 2019 are not under- or over-stated.		
7.	Prepare variance analysis by comparing FY2018 and FY2019 AR balances, and provide reasons for changes greater than \$99,999.		

Please return this by Tuesday, April 9, 2019 at 12:00pm noon to:

Year End AR Audit Program

Financial Operations – Financial Systems

Email: yearend.receivables@ubc.ca