Fiscal Year End Close Workshop

Internal Business Services

Fiscal Year 2021-22
March 31, 2022
Overview

- The importance of year-end deadlines
- Transactions Processing - Key dates
- Recording expenses and revenues in the appropriate fiscal years
- FY21-22 Year End Guide
Importance of Year-End Deadlines

- **Published fiscal year deadlines** are essential to ensuring SCCOE will be able to issue its **year-end financial statements within the mandated time frame**.

- The financial statements represent the annual summary of SCCOE’s finances. It is therefore important, considering we will have to follow Generally Accepted Accounting Principles (GAAP), to ensure that all transactions are recorded appropriately in the correct reporting period.

- To help facilitate this process, we recommend school site administrators and programs to set earlier internal deadlines for fiscal year end close activities in order to meet Internal Business Services year-end close deadlines.
Transaction Processing

The following are key processing dates for the fiscal year 2021-22 close-out as we transition to fiscal year 2022-23.
<table>
<thead>
<tr>
<th>Schedule of Important Closing Dates For Fiscal Year End June 30, 2022</th>
</tr>
</thead>
</table>

### PURCHASING DEADLINES
### ROUTING PURCHASE REQUISITION

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 29</td>
<td>Purchase Requisition over $3,000</td>
</tr>
<tr>
<td>May 13</td>
<td>Purchase Requisitions $3,000 and under</td>
</tr>
</tbody>
</table>

### BLANKET PURCHASE ORDER

- **May 31**: The last day to order items on a blanket PO including Palace (Just-In-Time) orders

**Note**: The dates above indicate cutoff for requisitions to be in Purchasing’s final queue on or before the deadline.

### PURCHASE ORDER CHANGE ORDER

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 3</td>
<td>Last Day for Purchase Order Change Orders (POCO)</td>
</tr>
</tbody>
</table>

### ACCOUNTING DEADLINES

#### PURCHASE CARD (P-CARD) – ACCOUNTING DEPARTMENT

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 6</td>
<td>P-Card transactions for the month of April</td>
</tr>
<tr>
<td>June 6</td>
<td>P-Card transactions for the month of May</td>
</tr>
<tr>
<td>July 6</td>
<td>P-Card transactions for the month of June</td>
</tr>
</tbody>
</table>

#### REIMBURSEMENT CLAIMS

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 27</td>
<td>Reimbursement claims for the month of April</td>
</tr>
<tr>
<td>June 24</td>
<td>Reimbursement claims for the month of May</td>
</tr>
<tr>
<td>July 15</td>
<td>Reimbursement claims for the month of June</td>
</tr>
</tbody>
</table>

#### ACCOUNTS RECEIVABLE (A/R)

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 17</td>
<td>Last day to create invoices in IBM (QCC Invoice Billing Management), for FY21/22</td>
</tr>
</tbody>
</table>

#### CASH DEPOSITS

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 29</td>
<td>Last day to submit cash deposit for FY21-22</td>
</tr>
</tbody>
</table>

#### JOURNAL ENTRIES

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 5</td>
<td>Final Journal Entries for all funds</td>
</tr>
</tbody>
</table>

#### ACCOUNTS PAYABLE (A/P)

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 15</td>
<td>Final A/P invoices, please submit invoices to Accounting as they are received from vendors</td>
</tr>
</tbody>
</table>
Recording Revenues and Expenditures in the Appropriate Fiscal Year (FY)

A Fiscal Year

- Is also known as budget year
- Is a one-year or any 12-month accounting period that companies and governments use for budgeting and financial reporting
- Not all fiscal years correspond with the calendar year
- SCCOE’s fiscal year is July 1 – June 30
Recording Revenues in the Appropriate Year

Revenues must be recorded in the year they are earned.

Examples:

- A check is received in June 2022, for services rendered in March 2022. This revenue must be recorded in **FY 2021-22** to properly record the activity in the appropriate year.

- A check is received in July 2022, for services rendered in March 2022. This revenue must be recorded in fiscal year **FY 2021-22**. Programs must work with the respective program accountant to **ACCRUE** the revenue and properly record the activity in fiscal year **FY 2021-22**.
Recording Expenses in the Appropriate Year

Expenses must be recorded in the year they are incurred

Examples:

• A consultant performs services in April 2022 and submits an invoice in June 2022. This expenditure must be recorded in **FY 2021-22** to properly record the activity in the appropriate year.

• A consultant performs services in April 2022 and submits the invoice in July 2022. This expenditure must also be recorded in **FY 2021-22**. Programs must work with the respective program accountant to **ACCRUE** the expenditure and properly record the activity in **FY 2021-22**.

• Goods or services that are received by June 30, 2022 must be recorded in **FY 2021-22**.
Accounts Payable
Programs must routinely run open purchase order (PO) reports throughout the year to review and plan accordingly.

To help initiate the year-end process, Accounting Services will send an open PO report for Program’s review in April. Programs must work with the respective accountant to determine if POs should be accrued or rolled over to FY 2022-23.
Accounts Payable – Purchase Order Review

Review each Purchase Order (PO):

- Ensure there is sufficient PO balance to pay for pending invoices.

- If all goods have been received and services rendered AND there are no outstanding invoices to be paid, submit a Purchase Order Change Order (POCO) to close the PO and disencumber funds.

- Ensure that blanket POs have sufficient funds to cover anticipated invoices for goods to be received through 6/30/22.
  - If not, submit a POCO.

- POs that will not be fully paid by 6/30/22 but should stay open to receive and/or pay against after 6/30/22.
  - PO balance may need to be **Accrued** or **Rolled Over**.
Accrual verses Roll Over

**Accrual**
Accrual accounting is a method where revenue or expenses are recorded when a transaction occurs versus when payment is received or made.

**Accrued Expenditure**
Expenditures incurred during the current accounting period that are not paid until the subsequent accounting period.

**Accrued Revenue**
Revenue earned during the current accounting period that is not collected until a subsequent accounting period.

**Roll over of Purchase Order**
Purchase Order balance or a portion of the Purchase Order balance is rolled over into the new fiscal year. The expenditure is recognized in the next fiscal year.
Expenditure Accrual Flowchart

**SERVICES**

1. **Services rendered by June 30?**
   - **YES**
   - **Invoices reference service period 6/30 or prior?**
     - **YES**
     - **Accrue**
   - **NO**
   - **Do Not Accrue**

**GOODS**

1. **Goods received by June 30?**
   - **YES**
   - **Invoices reference goods purchase date 6/30 or prior?**
     - **YES**
     - **Accrue**
   - **NO**
   - **Do Not Accrue**
Accrual - Example

TDSD orders two servers against PO123456 and the servers are received on June 30, 2022. Invoice from the vendor is received on July 14, 2022.

Since the goods were received in FY 2021-22, we must recognize this expense in FY 2021-22. However, because the invoice will be paid next year, in (FY 2022-23) we must ACCRUE this invoice to properly record the expense in the correct FY 2021-22.
Purchase Order (PO) Roll Over

A purchase order can be rolled over into the new fiscal year if the service was not received by June 30. To roll PO balance into the new year, please note the following:

- PO balance roll over is recommended for contracts that cross fiscal years; this helps maintain PO history.
- If service was not rendered by June 30 and the PO balance is being rolled over for a contract that is not a multiyear contract, ensure a contract amendment is in place extending the contract period to the following fiscal year.
- Only POs for services can be rolled over into the new fiscal year. Blanket POs for supplies cannot be rolled over.

***** PLEASE NOTE: When a purchase order is “rolled over” into the new fiscal year (FY 2022-23), the funds from FY 2021-22 will not roll into the new fiscal year’s budget; funds will need to be re-budgeted using FY 2022-23 funds, unless carryover funds from grants, local contract revenues, etc. are available and allowable from FY 2021-22 to cover the cost.
Purchase Order (PO) Roll Over - Example

Contracted services for PO 234568 will not be completed by June 30, 2022. The contract expires June 30, 2022. The projected timeline to complete the project now extends through September 30, 2022. In this scenario, the following steps are recommended for year-end close:

- Amend the contract to extend the contract period through September 30, 2022.
- Work with respective accountant to roll the PO balance into the new fiscal year.
Accounts Payable Year-End Deadlines

**July 15**– Last day to submit A/P invoices

- Last day to submit invoices to pay materials and supplies received in FY 2021-22.

- Submit all final invoices to Accounting Services on or before July 15, 2022.

- In April, Accounting Services staff will send out an **Open Purchase Order Report** to the Programs. Programs must review the report and inform the respective accountant of purchase orders that need to be **Accrued** or **Rolled** into next fiscal year. If POs need to be closed, submit a POCO.
Reimbursement Claims – Months of April-June 2022

- **May 27**– Reimbursement claims for the month of April

- **June 24**– Reimbursement claims for the month of May

- **July 15**– Reimbursement claims for the month of June

➢ Ensure all reimbursement claims are received in Accounting Services by this date.

➢ Please use correct reimbursement forms posted on the SCCOE Intranet and are complete with required information.

➢ Failure to comply with this guidance may result in denial and nonpayment of claims.
Exceptions

Please note that any exceptions to the above deadlines will need prior approval by the respective Division Chief/Assistant Superintendent and final approval by the Chief Business Officer.
Journals

July 8—Final Journal Entries for All Funds

- Finger Printing
- Print Services
- Mailroom
- Adjustments or corrections
- Internal Office Service Agreements (IOSA)
  - $1,000 and above
- Interdepartmental cost transfers less than $1,000
Personnel Activity Reports (PARS) & Semi-Annual Certification

**Semi-Annual Certification and or Personnel Activity Reports**

- **July 15** – The fiscal year-end deadline for all Personnel Activity Report – (PARS)

- **August 15** – The fiscal year-end deadline for Semi Annual Certification all PARS Report

- All employees who are fully or partially funded by federal categorical dollars must complete their time certification on the approved forms.

- Please ensure that ALL PARS Reports, and the Semi-Annual Certification for FY 2021-22 (July 1, 2021-June 30, 2022) are received in Accounting Services by these dates.
Procurement Process and Deadlines
Procurement Process

Program creates Purchase Requisition

Manager reviews and approves the requisition

Accounting reviews and approves the requisition
The cutoff dates below indicates cutoff for requisitions to be in Purchasing’s final queue

Purchasing processes PO/POCO based on approved requisition
Purchasing will send POs to the vendors & will receive confirmation of good and invoice to be received by the June 30 deadline

June 30, 2022
All goods should be received by the June 30 deadline.

April 29, 2022
Last Day for Purchase requisition over $3,000

May 13, 2022
Last Day for Purchase requisition $3,000 and under

June 3, 2022
Last day for Purchase order change order (POCO)
April 29 – Purchase Requisition over $3,000

- If a program is going to make a purchase in excess of $3,000 the program will need to enter a requisition in the QCC system before the April 29 deadline.

- Purchase requisitions that require a bid process and require the use of current year budgeted funds must be submitted in the purchasing queue by the April 29 deadline.

- Requisitions requiring a bid need 90 days for advertising, review, and approval of the awarded bids.
April 29 – Purchase Requisition over $3,000

- Ensure requisitions are in Purchasing’s final queue by this date.

- **Please Note**: Immediately contact purchasing and accounting if you have large or complicated purchases that have not been previously communicated via requisition or e-mail.
Purchasing Deadlines - Requisitions

**May 13 – Purchase Requisition under $3,000**

- Ensure requisitions are in Purchasing’s final queue by May 13, 2022.

- Last day to enter purchase requisitions that do not require a bid process in the QCC system.

- Please note that any exceptions to the above deadline will need prior approval by the respective Division Head and final approval by the Chief Business Officer.
Palace (Just-In-Time) Orders

May 31 – Last day for Palace (Just in Time Orders)

- The last day to order items from Palace (Just-in-Time) orders will be May 31, 2022.
- Palace will request approval from the Purchasing department to process orders placed past this deadline.
- Orders placed past this deadline will require approval from the Purchasing department.
May 31 – Last day for Palace (Just-In-Time Orders)

- Purchase orders with multiple account lines - Programs must ensure there are enough funds in the account lines before placing the order.

- A packing slip is used to denote that the physical goods have been received.

- Please sign and date all packing slips from Palace and submit to Accounting Services as soon as you receive it.

- Without confirmation that the items were received, Accounting Services will not be able to process the payment to the vendor.
Purchase Order Change Order (POCOs)

**June 3** – Last day for Purchase Order Change Order (POCOs)

- Ensure there are enough funds in your purchase order.
- Last day to increase or decrease Purchase Order Change Order.
- **Please Note**: All (POCOs) must be in Purchasing’s queue by June 3rd deadline.
Purchase Order Change Order (POCOs)

J**une 3**—Last day for Purchase Order Change Order (POCOs)

- Any POCO change request received after this date will require late justification and will need to be approved and signed by the Program and Purchasing before it is processed.

- All POCO requests must be submitted via signed POCO Form and via E-mail or can be routed to Purchasing via DocuSign.
Purchase Card (P-Card) – Months of April-June’22

P-Card transactions for the month of April-June
- **May 6**– Transactions for the month of April
- **June 6**– Transactions for the month of May
- **July 6**– Transactions for the month of June

- Ensure the Cardholder and Manager have approved all P-Card transactions in Bank of America Works.

- **Please Note:** These dates indicate cutoff for P-Card transactions to be in Accounting's queue, that is, after P-Card holder and Manager approval.
Accounts Receivable
Accounts Receivable (A/R) Billing

June 17 – Last day to create invoices in QCC IBM (Invoice Billing Management) for FY 2021-22

- Programs must routinely run A/R aging reports to review and monitor status of open invoices.
- To help initiate the year-end process Accounting Services will send an A/R aging report for Programs to determine if invoices should be Canceled, Accrued, or Rolled into FY 2022-23.
- Based on determination, Programs will provide instructions via email to Grace Lacap (please copy respective accountant) by June 21, 2022. Please notate on report:
  - C for Cancellation
  - A for invoices to be Accrued
  - R for invoices to Rollover
Accounts Receivable (A/R) Billing

- **Invoices would require Cancellation if:**
  - Invoice was a duplicate or issued in error
  - Payment was made directly to the 35-digit account string as opposed to posting it as a payment against the invoice
  - Invoice is uncollectable

  For an invoice cancellation request, Accounting Services requires an email from the program on which the manager must be copied and reason for cancellation stated. However, any invoice over the amount of $2,500 will require a separate email from the manager for approval.

- **Invoices to be Accrued to current Fiscal Year (if unpaid):**
  - Invoice for services rendered on or before 6/30/22
  - Invoice for materials delivered on or before 6/30/22

- **Invoices to be Rolled into next Fiscal Year:**
  - Invoice for services to be rendered next Fiscal Year
  - Invoice for materials to be delivered next Fiscal Year

*****PLEASE NOTE: IBM (Invoice Billing Management) re-opens on July 6, 2022, for fiscal year 2022-23.
Cash Deposits

**June 29**— Last day to submit cash deposits for FY2021-22

- Please do not hold on to cash/checks.

- Please continue to submit cash/checks received after June 29 to Accounting Services. If those payments should be accrued to FY 2021-22, please notate on the deposit transmittal that the deposit is for FY 2021-22.
Please provide all the necessary and complete backup when submitting documentation to Internal Business Services. Incomplete documentation may result in delay in processing time due to follow up.
QUESTIONS
• Accountant Assignments by Manager

• 2021-22 Fiscal Year End Deadline Schedule

• 2021-22 Fiscal Year End Reference Guide for Programs