

UNIVERSITY OF MAINE - INSTRUCTIONS FOR THE YEAR-END GENERAL LEDGER CLOSE – FY2017

PLEASE NOTE THAT JUNE 30 BALANCES IN THE GENERAL LEDGER WILL NOT BE FINAL UNTIL JULY 8.

P09. ACCRUED EXPENSES – NONPAYROLL		
	A. ACCOUNTS PAYABLE	<p>The cost of all goods which have been physically received and services which have been performed by June 30 must be accrued to FY2017. How the accrual is processed depends on which of the following categories the item belongs to as of June 30.</p> <p>(1) Purchasing System – Match Exceptions</p> <p>Match exceptions related to goods or services physically received on or before June 30 must be resolved by July 13 so that the amounts can be accrued to FY2017 and so that University Services can roll open purchase orders over to FY2018.</p> <p>(2) Purchase Orders Created Between July 1 and July 13</p> <p>Purchase Orders created between July 1 and July 13 must have an accounting date consistent with the fiscal year for which the purchase occurred. FY2017 purchases for which a PO was not created by June 30 are processed using Check Requests, After-the-Fact, or Personal/Professional Services Forms in MarketPlace. When a PO is created using one of these forms, the PO will be sent to a Procurement Coordinator for review prior to being exported into MaineStreet:</p> <ul style="list-style-type: none">• If the PO is for a FY2017 purchase, the accounting date will be changed to '06/30/2017'.• If the PO is for a FY2018 purchase, the accounting date will not be changed. <p>Detailed instructions will be sent to Procurement Coordinators.</p> <p>(3) Purchasing System – Vouchering for Items Received by June 30 but Invoiced After June 30</p> <p>All items on purchase orders which have been recorded as being received in the purchasing system but not invoiced as of June 30 must be accrued and charged to the FY2017 general ledger. The process for accruing such items will depend on whether or not an invoice is vouchered by the cutoff date for accruals:</p> <ul style="list-style-type: none">• If the invoice is vouchered during the July 1 thru July 13 time period, follow the directions in item #5 below.• Any items that are not vouchered by the cutoff date will be accrued by the US Accounting Department from campus requests or if material. The chartfield combination indicated on the purchase order will be charged. Prior to the accrual being processed, the US Accounting Department will provide a listing of such items to the campuses for their review.

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ACCOUNTS PAYABLE – CONTINUED	<p>(4) Purchasing System – Receiving Information Recorded After June 30</p> <p>Any goods or services <u>physically</u> received on or before June 30 must be processed as received in the purchasing system using a date of <u>June 30 or earlier</u>. Such receiving must be recorded in the purchasing system by July 13.</p> <p>The process for accruing these items as FY2017 expenses will depend on whether or not an invoice is vouchered by the cutoff date for accruals:</p> <ul style="list-style-type: none">• If the invoice is vouchered during the July 1 thru July 13 time period, follow the directions in item #5 below.• Any items that are not vouchered by the cutoff date will be accrued by the US Accounting Department from campus requests or if material. The chartfield combination indicated on the purchase order will be charged. Prior to the accrual being processed, the US Accounting Department will provide a listing of such items to the campuses for their review. <p>(5) Invoices Vouchered July 1 thru July 13</p> <p>All invoices vouchered through June 30 will be recorded in the FY2017 general ledger.</p> <p>ALL invoices (including construction invoices) for which material has been received or services have been provided by June 30 and that have not been vouchered by June 30 must be processed as FY2017 accruals. To process invoices as accruals, they must be submitted to AP Shared Services with the indication of FY2017.</p> <p>NOTE: All invoices received by the campuses July 1 through July 13 must be annotated indicating the dates materials were received, per recommendation of the Audit Committee, Board of Trustees. Invoices processed after June 30 will be reviewed by our auditors for inclusion in the accrued expense list.</p> <p>(6) Invoices Vouchered after July 13</p> <p>Copies of invoices processed after the cutoff date of July 13 will be forwarded to the US Accounting Department by AP Shared Services IF:</p> <ul style="list-style-type: none">• The invoice is for goods or services physically received by the campus by June 30 and• The invoice amount is \$25,000 or more, and• The item was not manually accrued pursuant to another item under Procedure 09 (P09) of this document.
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	ACCOUNTS PAYABLE - CONTINUED	<p>These items will be manually accrued to FY2017 by the US Accounting Department. The US Accounting Department will also record the reversing entry for FY2018.</p> <p>NOTE: All invoices received by the campuses on July 14 through August 4 must be annotated indicating the dates materials were received. As previously noted under section P09.A(5) of this document, invoices processed after June 30 will be reviewed by our auditors for inclusion in the accrued expense list.</p> <p>(7) Other Accruals</p> <p>Other estimated accruals such as utilities must be prepared on Exhibit V. Please prepare and enter journal entries no later than July 14 for the accrued expenses listed on Exhibit V.</p> <p><u>WARNING:</u> DO NOT ADD ANY INVOICES TO EXHIBIT V FOR INVOICES PROCESSED IN PEOPLESFT WITH AN ACCOUNTING DATE OF JUNE 30, 2017 OR BEFORE, AS THEY WILL BE DUPLICATED.</p>
	C. PURCHASING CARDS	<p>By the end of the day on June 30, the PCard Administrator must post ALL <u>approved</u> transactions for products or services that have been received to the general ledger as an expense.</p> <p>(1) ALL items with a transaction date <u>prior</u> to July 1 and for which the product or service was received <u>after</u> June 30 are to be treated as a FY2017 prepaid expense if the amount of the prepaid expense is \$5,000 or more.</p> <p>(See section R10.C of this document for details on prepaid expenses.)</p> <p>(2) ALL Items with a transaction date <u>prior</u> to July 1 and for which the product or service was received <u>prior</u> to July 1 need to be approved by July 13. If they are not approved, these transactions may be recorded in FY2017 as an expense in the PCard holder's default chartfield combination.</p> <p>(3) Approved items with a transaction date <u>after</u> June 30, and for which the product or service was received <u>after</u> June 30 will be expensed in FY2018 and mapped as usual.</p>
	D. AiM WORK ORDER SYSTEM	<p>FY2017 AiM Work Order transactions included in the July 7 and July 12 Work Order Billings will be recorded in FY2017. After July 12, if there are FY2017 approved transactions of \$25,000 or more, they must be forwarded to the US Accounting Department for manual accrual.</p> <p>FY2018 AiM Work Order transactions can be processed using either of these two options:</p> <p>(1) Do not enter or approve any new FY2018 transactions or Work Orders until after July 14, or</p> <p>(2) A new non-billable work order and/or phase can be created for FY2018. FY2018 transactions can be entered and approved as long as the phase is set to a non-billable status. After July 14, the phases can be changed to a billable status.</p> <p>The first FY2018 AiM Work Order Billing will occur on July 26.</p>

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R10.	INVENTORIES AND PREPAID EXPENSES	
	C. PREPAID EXPENSES – GENERAL	<p>Only the cost of materials or services received by the campuses during FY2017 (July 1 to June 30) should be recorded in the general ledger as expenses (account codes 6xxxx). If you paid for items in FY2017 that you will not receive in whole or in part until after FY2017, you must record these items as an asset called prepaid expenses (account code 15000) if the amount is over \$5,000. For example, you will record a prepaid expense if:</p> <ul style="list-style-type: none">• The amount is paid by June 30, but the goods or services are not physically received by the campus until after June 30 and• The invoice or prorated amount is \$5,000 or more. <p>An example of an item that is generally prepaid, at least in part, is software support or maintenance costs. The bill is paid in one fiscal year; however, the period covered by the maintenance agreement falls partly in the current fiscal year and partly in the next fiscal year. The dollar amount paid must be prorated so that the costs allocable <u>to the next fiscal year</u> are recorded as a prepaid expense.</p> <p>See the System's Administrative Practice Letter Section I-A, "Prepaid Expenses and Deferred Revenues" for more information.</p> <p>Exhibit II must be completed, detailing the items that comprise prepaid expenses.</p>