LSU
LOUISIANA STATE UNIVERSITY

CAMPUS CORRESPONDENCE

Date: April 26, 2011

To: Vice Chancellors, Deans, Directors,
Heads of Budgetary Units and Business Managers

From: Donna K. Torres, CPA
Associate Vice Chancellor for
Accounting and Financial Services

Subject: Schedule for Closing Accounts for FY 10-11

The end of the fiscal year is once again quickly approaching and we must settle FY 10-11 financial operations. To comply with State regulations and provide for timely preparation of financial statements, it is necessary to develop a schedule for concluding financial activity for the current fiscal year. The closing of the accounts for the fiscal year, the preparation of financial statements, and the opening of new accounts for the next fiscal year require a considerable amount of time in the business offices.

All purchases against 2010-2011 appropriations must be received by **June 30, 2011** in order to be paid from funds budgeted in the current fiscal year. Payments on orders received after June 30, 2011 will be charged to departmental funds budgeted for FY 11-12. All purchases on restricted sources must also be paid for or accrued at fiscal yearend if received by June 30th.

Procedures and deadlines pertinent to each of the sections of Accounting Services are detailed in the attachments. Copies should be distributed to all staff having responsibilities related to the University's yearend closing process. In order to more fully explain the changes expected this year, and to provide answers to all questions you and/or your staff may have, the Office of Accounting Services will present its annual **FISCAL YEAREND SEMINAR** as follows:

Tuesday, May 3, 2011
225 Peabody Hall
9:30 to 11:00 am

Due to limited seating, we are requesting that employees RSVP to Maria Cazes at mcazes@lsu.edu by Friday, April 29, 2011 so that attendance can be monitored. Please note that this seminar will serve as May's Business Managers' meeting.

Your cooperation in complying with the procedures and deadlines outlined in this memo is essential to a successful yearend closeout.

Attachment

Memo AS-11-04

FINANCE & ADMINISTRATIVE SERVICES
Office of Accounting Services
204 Thomas Boyd Hall • Baton Rouge, LA • 70803 • P 225-578-3321 • F 225-578-5876
www.fas.lsu.edu/AcctServices/

Direct Charge Invoices

Direct charge invoices for the current fiscal year should be processed as expenditures against current fiscal year departmental budgets for both unrestricted and restricted accounts. Current fiscal year direct charge invoices that are not paid by the June 30th APS check run may be accrued and charged to current fiscal year budgets via departmentally prepared journal vouchers (JVs). In order to ensure timely processing of your department's direct charge expenditures, please route approved direct charge invoices to Accounts Payable (AP) in accordance with the following schedule:

June 6 Invoices for direct charge purchases received by **June 5th** due in AP

June 13 Invoices for direct charge purchases received for **June 6 – 12, 2011** due in AP; LSU Foundation Check Requests due at the LSU Foundation

June 20 Invoices for direct charge purchases received for **June 13 – 19, 2011** due in AP

June 28 Last day for direct charge invoices to be forwarded to AP without an accrual JV

June 29 & After

JVs are due from departments for University direct charge accruals. Please process separate JVs for restricted accruals and unrestricted accruals. An entry to accrue direct charge invoices not paid as of June 30th should be made in accordance with the following procedure:

In GLS, create an accrual (**SJ**) journal voucher, entering an effective date of **June 30, 2011,** and a **"Y"** in the "7/1 Reversal" field. Add the following information on the accounting information screen:

1. Departmental expenditure account, **debit** for the **amount** of the invoice.
2. In the "Offset" section, enter "**L**" in the "Transaction Type" (TT) field and "**2104**" in the "Obj" field. An example of the accounting information screen follows:

GLSSJE SIMPLE JV ENTRY

ACTION: V (A/ADD,C/CHANGE,V/VIEW) CODE: SJE OVERRIDE ERRORS: **Y**

ENTRY#: 00139311 FY: 09 TOTAL LINES: 000 ENTRY TOTAL: 207.00

							OFFSET			
LINES	ACCT	TT	OBJ	PROJ	AMOUNT	D/C	ACCT	TT	OBJ	PROJ
001 002	**184350500 X**		**4250**		**207.00**	**D**		**L**	**2104**	
003 004										
005 006										
007 008										
009 010										

CALCULATED TOTAL:

	ITEM DESCRIPTION	SRCE DOC TYPE/#
001 002	**ACCRUE DC INV 12345 TIGER TAILS**	
003 004		
005 006		
007 008		
009 010		

3. Staple a copy of each direct charge invoice to the JV.
4. Approve the JV and make a copy for department files.
5. Paper clip the original invoices to the JV.
6. Route packet to AP for approval and release in GLS.
7. AP will verify that the original direct charge invoices are attached to the JV accrual received and remove the original invoices and batch them for on-line payment. The JV will be approved and routed to FAR for release in GLS.
8. July ledgers will reflect a debit to the departmental expenditure account as a result of the actual payment of the direct charge invoice in July and a credit to the departmental expenditure account as a result of the automatic reversal (occurring as a result of a "Y" being entered in the "7/1 Reversal" field) of the JV.

July 7 Last day for direct charge accrual JVs to be sent to AP for FY11

Accrual Process in the PRO System

Unrestricted Purchase Orders

All purchases and services received against unrestricted purchase orders must be either (1) paid by June 30th, or (2) charged to your current budget via a system accrual prepared by the AP Office. Expenditures should be reported in the period in which they are incurred so it is critical to review ledgers to identify expenditures incurred and not paid by the June 30th APS check run. For merchandise and services to be charged to the current fiscal year, the merchandise or service must be delivered by June 30th. If a vendor cannot firmly promise delivery by the June 30th deadline, there is no action required by the department because the purchase order balance will be *carried forward* into the next fiscal year. A PO Alteration must be processed in PRO in order to cancel the balance on the unrestricted encumbrances. The deadline for PO Alterations to be released by the Purchasing Office is **June 17th**. Unrestricted encumbrance balances after the June 30th APS check run and after the accrual JV is prepared will be *carried forward* into the next fiscal year. AP will send the final 6/30 Aged Listings to the departments on **July 5th** for information purposes only. The Aged Listing will not be used to process the accruals. The accrual will be programmatically calculated based upon the merchandise received as of June 30th and not paid as of June 30th.

Restricted Purchase Orders

All purchases and services received against restricted purchase orders must be either (1) paid by June 30th, or (2) charged to your current budget via a system accrual prepared by the AP Office. GASB 34 and 35 require full accrual accounting effective FYE 06/30/2002. This means that expenditures should be reported in the period in which they are incurred so it is critical to review ledgers to identify expenditures incurred and not paid by the June 30th APS check run. For merchandise and services to be charged to the current fiscal year, the merchandise or service must be delivered by June 30th. Balances on restricted encumbrances after the June 30th APS check run and after the accrual voucher is prepared should reflect items that were not received as of June 30th. These balances will be carried forward into the next fiscal year. AP will send a Final 6/30 Aged Listing to the departments on **July 5th** for informational purposes only. The aged listing will not be used to process the accruals. The accrual will be programmatically calculated based upon the merchandise received as of June 30th and not paid as of June 30th.

Please create the PRO Electronic Receiving Reports for merchandise received by June 30th and verify both restricted and unrestricted encumbrance balances in accordance with the following schedule:

June 6 PRO Electronic Receiving Reports for merchandise and services received by **June 5th** against restricted and unrestricted encumbrances should be processed

June 13 PRO Electronic Receiving Reports for merchandise and services received by **June 12th** against restricted and unrestricted encumbrances should be processed

June 20 PRO Electronic Receiving Reports for merchandise and services received by **June 19th** against restricted and unrestricted encumbrances should be processed

June 27 PRO Electronic Receiving Reports for merchandise and services received by **June 26th** against restricted and unrestricted encumbrances should be processed

July 1 Last day to enter PRO Electronic Receiving Reports for merchandise and services received by **June 30th** against restricted and unrestricted encumbrances. **In order for the accrual to be calculated, the received date on the PRO Electronic Receiving Report must be June 30, 2011.**

July 5 PO Accrual entries will be available in GLS for review (after 3:00pm)

July 7 PO Accrual JV corrections are due to AP

Balances of unrestricted accruals not paid by the statutory deadline will be refunded to the State and will be charged against next fiscal year's departmental budgets when paid. Accruals on restricted encumbrances will be reversed and re-encumbered in July.

Purchase Order Alterations (PO Alterations)

June 17 All PO Alterations to be released by the Purchasing Office on unrestricted and restricted encumbrances. It is critical that PO Alterations be processed as early as possible in order to ensure accurate encumbrance balances on GLS to accommodate invoice payment and expenditure transfers.

Ledger Corrections, Adjustments and Transfers

June 13 All JVs for corrections to ledgers and transfers of expenditures appearing on appropriated funds and reflected on departmental ledgers through **May 31st** are due in AP.

June 27 All JVs for corrections to ledgers and transfers of expenditures are due.

LaCarte Procurement Card BFs

All purchases charged on the university LaCarte procurement card (p-card) that are included on BFs dated prior to June 30th should be processed as expenditures against current fiscal year departmental budgets for both unrestricted and restricted accounts.

LaCarte transactions dated in June that are not included on the final June BF will be charged against FY 11-12 budgets unless departments process accrual JVs. Accrual JVs for LaCarte purchases must be prepared on a separate JV (**do not include LaCarte accruals on your direct charge accrual JV) and must be supported by an original itemized receipt. Please attach a copy of the accrual JV and receipts as documentation when the transaction appears on a FY11 LaCarte BF entry.**

In GLS, create an accrual JV, entering an effective date of **June 30, 2011** and a "**Y**" in the "7/1 Reversal" field and follow the same procedure outlined in the direct charge invoice accrual section. **Do not include transactions already reflected on LaCarte BFs dated prior to June 30, 2011 on accrual JVs. Only transactions made on or before June 30, 2011 not reflected on a FY11 LaCarte BF entry should be accrued.**

In an effort to manage the volume of LaCarte BF entries, the following is a proposed schedule for reconciling and releasing to AP (via the on-line PCARD system) the departmental weekly LaCarte BF entries to ensure all purchases made on or before June 30th are charged to this current fiscal year:

June 3	LaCarte/CBA BFs dated through **May 31st** should be released to AP (RAPS status)
June 10	LaCarte/CBA BFs dated through **June 6th** should be released to AP
June 17	LaCarte/CBA BFs dated through **June 13th** should be released to AP
June 24	LaCarte/CBA BFs dated through **June 20th** should be released to AP
July 1	LaCarte/CBA BFs dated through **June 27th** should be released to AP
July 5	Last day FY11 LaCarte/CBA BFs will be released to the departments (dated 6/30/11)
July 7	LaCarte/CBA BFs for FY11 should be released to AP. Also, this is the last day to submit accrual JVs for LaCarte purchases not included on any FY11 LaCarte BF entry. The original itemized receipt should be attached to the accrual JV.

BFs not received in AP according to this schedule will be charged to FY 11-12 departmental budgets.

Travel Expenditures

Travel advances issued are not charged to departmental budgets until properly supported Travel Expense Reimbursement Requests (TERR's) are filed with Accounting Services. In order to ensure all travel expenses are recorded against current fiscal year budgets, please adhere to the cutoffs identified below:

June 6	Travel Expense Reimbursement Requests due for all travel completed through **June 5th**
June 13	TERR's due for all travel completed from **June 6 – 12, 2011**
June 20	TERR's due for all travel completed from **June 13 – 19, 2011**
June 27	Final day to submit TERR's for all travel completed from **June 20 – 27, 2011** without an accrual JV. The Travel staff will prepare an accrual JV for the Travel Expense Reimbursement Requests not audited for reimbursement by **June 30th**.
June 28 & after	TERR's submitted on these days **must** have an accrual JV placed on top of the request. **In order to process the accrual JV, the Travel Expense Reimbursement Request must have the required original AS292 "Request for Authorization to Travel" form or AS516 "Request for Authorization to Reimburse Expenses" form and all original itemized receipts as required by PM-13, University Travel Regulations.**

TERR's not submitted in accordance with the above cutoffs will be charged to departmental budgets in the new fiscal year.

Travel on Personal, Professional and Consulting Services (PPCS) Contracts

Personal, Professional and Consulting Services (PPCS) Contracts in PRO require travel to be authorized on the receiving report, but the actual TERR must be sent to the Travel Office to be processed. TERR's received in AP on June 28th and after require an accrual JV with the effective date of **June 30, 2011** and a "Y" in the 7/1 Reversal field. Please follow the same procedure outlined in the direct charge invoice accrual section to complete the accrual JV.

Centrally Billed Accounts (CBAs)

All CBA transactions (airfare and/or conference registration fees) made in June that do not appear on the final June CBA BF entry should be accrued by the department.

In GLS, create an accrual JV, entering an effective date of **June 30, 2011** and a "**Y**" in the "7/1 Reversal" field. The description line should read: "Accrue Vendor or Merchant CBA 2011". Follow the same procedure outlined in the direct charge invoice accrual section to complete the accrual JV. **Transactions already reflected on FY11 CBA BFs should not be accrued.**

The appropriate cost documentation that should be attached to the accrual entries is a copy of the **AS292** "Request for Authorization to Travel" or **AS516** "Request for Authorization to Reimburse Expenses" and the flight itinerary or conference registration form.

Please see the proposed schedule listed under LaCarte BFs for processing all FY11 CBA BFs to ensure all transactions are charged to the current fiscal year.

BURSAR OPERATIONS

125 Thomas Boyd Hall, 578-3357

Petty Cash

Departments must clear petty cash funds of all invoices, receipts, etc., leaving only cash in these funds at the end of the fiscal year. Petty Cash Reimbursement Vouchers must be received no later than **June 30, 2011**.

Accounts Receivable

Excluding restricted auxiliaries, departments knowing of amounts due the University as of the end of the fiscal year must record such amounts by submitting a Departmental Transmittal (DT) to Bursar Operations. Receivables should be recorded regardless of the source of the indebtedness (i.e., Federal government, State of Louisiana or its subdivisions, faculty, staff, students, or others). All accounts becoming due during FY 10-11 must be recorded by **June 30th**. This information must be received by Bursar Operations **no later than 4:00 pm on June 30th**. Restricted auxiliaries will be advised by separate correspondence when to report their accounts receivable.

Deposits

The last day for making deposits for FY 10-11 in Bursar Operations will be **June 30th**.

FINANCIAL ACCOUNTING & REPORTING
204 Thomas Boyd Hall. 578-3321

Internal Transactions (ITs)

In order to provide maximum flexibility to all departments for managing their appropriated funds, the following schedule has been established for processing IT billings related to FY 10-11 business:

June 1 All rendering departments must submit IT's to Financial Accounting & Reporting (FAR) for any services or materials rendered **through May 31st.**

June 13 IT's for all services or materials rendered **through June 12th** must be received in FAR.

June 30 Final IT's for all services and materials rendered **during FY11** must be received in FAR to be processed as FY 10-11 business.

The only exceptions allowed will be for services rendered through June 30th (e.g., monthly copy machine charges) or for purchases that actually occur on June 30th. ITs for these type exceptions will be accepted by FAR for processing as FY 10-11 business until **12 noon on July 1st**.

All ITs must be properly completed with appropriate documentation attached, including any special approvals that are required. Incomplete IT's received in FAR must be returned to the department for further processing, and this may cause the transactions not to be recorded until next fiscal year. Thus, please ensure that all necessary documentation and approvals are attached.

LSU Foundation Check Requests

All LSU Foundation check requests for FY 10-11 business must be delivered to the Foundation staff at Lod Cook no later than **June 28th**. Please attach all appropriate supporting documentation. Without proper documentation, payment of the check request could be delayed until next fiscal year. It is very important that we achieve a proper accounting cutoff for the LSU Foundation. Please call Kate Spikes at 578-4165 with any questions about yearend accounting procedures for the LSU Foundation.

Multiple June 30th Cutoffs & Ledgers

The following dates have been established for the GLS cutoffs and distribution of June 30th ledgers:

July 1 1st 6/30 GLS Cutoff
July 5 Access on-line ledgers (from the 1st 6/30 GLS cutoff on July 1st)

July 25 FINAL 6/30 GLS Cutoff
July 26 Access on-line FINAL 6/30 ledgers for the fiscal year ended June 30, 2011 (from the final 6/30 GLS cutoff on July 25th)

Reporting Tools

On-line ledgers/reports can be accessed by:

- Logging into PAWS
- Selecting Financial Services
- Selecting Reporting Tools

Important Notes

- Populate all parameters marked with an asterisk (*).
- Verify the data being entered is in the proper parameter format – for example June 30, 2011 month end date should be entered as 20110630 (YYYYMMDD).
- Verify mainframe access for that account, department or college.
- Adjust the print area through the Print Preview toolbar function when printing reports.

PAYROLL
204 Thomas Boyd Hall, 578-3321

Personnel Actions Forms (PAFs)

Personnel Action Forms (PAFs) affecting expenditures in FY 10-11 must be processed through HRM and received by Payroll (RPAY status in HRS) no later than **June 20th** to ensure that all such charges are recorded in this fiscal year. Forms routed to Payroll after June 20th will be charged to FY 11-12.

Wage Payroll

The last Wage Payroll for FY11 will be expended on Vo 125-30 and cover the period **June 4 – 17, 2011**. From the 125-30 voucher, Payroll will accrue the payroll expense through June 30th by allocating **90%** of Vo 125-30. The accrual will appear on June ledgers as a transfer voucher; on the July ledgers, the accrual will be reversed.

Student Payroll

The payroll expense for **June 11 – 24, 2011** will be paid on Vo 015-17. Since the 015-17 voucher covers time worked in June, this voucher will be charged to the 10-11 fiscal year. From the 015-17 voucher, Payroll will accrue the payroll expense through June 30th by allocating **40%** of Vo 015-17. The accrual will appear on June ledgers as a Transfer Voucher; on the July ledgers, the accrual will be reversed.

Supplemental Payroll

The final Supplemental Payroll for FY11 will be distributed on June 30th. Timesheets for the final June supplement are due by **June 22nd**.

SPONSORED PROGRAM ACCOUNTING
336 Thomas Boyd Hall, 578-5337

Billings/Invoices

Due to agency imposed deadlines, LSU must submit June invoices on state accounts (a "4" in the 6th digit of the account number) from **July 1, 2011** through **July 15, 2011**. In order to meet these deadlines, Sponsored Program Accounting (SPA) must bill from the official University ledgers generated from the **1st 6/30 cutoff (July 1st).**

LSU must accrue all salary, vendor and travel expenditures incurred in FY11. Since most state sponsors require an accurate June invoice regardless of expiration date, it is essential that you provide written documentation to your SPA Analyst of any items not reflected on the ledgers available on **July 5th** including any items requested for accrual.

State tentative projects must be invoiced by the required deadline indicated in the agreement. Ensure that SPA has the fully executed agreement as soon as possible but no later than **June 30th**.

Ledgers

Please review your ledgers to ensure expenditures are recorded and encumbrances are liquidated. If necessary, process PRO Electronic Receiving Reports. Also, hand carry invoices, Travel Expense Reimbursement Requests and check requests to AP. Ensure PAFs for both expenditures chargeable directly to a sponsored agreement or used for cost sharing are processed. Overdrafts on sponsored agreements and associated cost sharing and program income accounts must be eliminated. If an account is in an overdraft status, it slows the billing process. However, it is acceptable for some accounts to be in an overdraft status due to extenuating circumstances, such as multi-year agreement, incrementally funded agreement, or a pending request for additional funds.

Cost Sharing

Cost sharing must be documented from an account with the same function. If an individual is cost sharing to a research account (a "1" in the 7th digit of the account number), the account from which the individual cost shares must be a research account (a "1" in the 7th digit of the account number).

Besides documenting an employee's time and effort, the PAR is the mechanism used to document cost sharing. Ensure that PARs are certified and returned promptly to the SPA Office. Questions can be directed to Cassie Loupe at 578-1430 or cassiel@lsu.edu.

Cost Transfers

A fully completed AS226 form, copy of the HTML on-line ledger and journal voucher with the correct description must accompany your cost transfer request. Retroactive PAFs are considered cost transfers and an AS227 form must be attached to the form providing an explanation of how this cost benefits the project receiving the charge.

Cost transfers must be processed within **90 days** from the end of the month originally recorded. However, May and prior month cost transfers are due in Accounting Services no later than **June 13th** while June cost transfers are due by **June 27th**. Retroactive PAFs must be received in Payroll by **June 20th**. Please allow time for routing through all of the necessary University channels.

Monitoring/Progress Reports

Several state agencies require that we attach the monitoring/progress report to our invoices. Please ensure that May 2011 and June 2011 Monitoring/Progress Reports are hand carried to SPA (336 Thomas Boyd Hall) by **June 6, 2011** and **July 5, 2011,** respectively. This is especially critical for LA Department of Natural Resources (DNR), LA Department of Environmental Quality (DEQ) and LA Department of Wildlife & Fisheries projects.

ARRA (American Recover and Reinvestment Act)

ARRA spreadsheets for the quarter ending June 30, 2011 will be sent to PIs at the beginning of June and are due back to SPA by **June 27, 2011**. Please ensure the following data elements are updated as of June 30, 2011:

- Project Status
- Description of Jobs Created
- Quarterly Activities/Project Description
- Primary Place of Performance

Agreements Expiring on June 30, 2011

For sponsored projects expiring on June 30, 2011, the requisitions must state that the sponsored agreement expires on June 30, 2011.

As at any other time, supplies and services must be received on or before the sponsored agreement expires. In particular, if a sponsored agreement expires on June 30, 2011, the supplies and services must be received by June 30, 2011.