Agenda

- Deadline and Due Dates
  - Key Dates
  - Payroll Pay Cycle Summary

- Fiscal Close Action Items
  - Funds/projects to Review
  - Fund 1900 Close-out Guidelines
  - Fund 5000 Close-out Guidelines
  - Best Practices
  - Fiscal Year-End Accruals
  - Other Fiscal Close Items
Key Deadline Due Dates

- **Financial Journal** (SC535) deadlines (by 5pm):
  - July 10 - **June prelim close** requiring the Control Point approval
  - July 17 – **June interim close** requiring the Control Point approval
  - July 20 – last day to process department journals (not requiring Control Point approval)

- **PETU** (non-sponsored) June close deadline (by 5pm):
  - July 13

- **MyExpense reports** (starting July 1, expense reports submitted over 60 days will become taxable income):
  - June 30
Payroll Pay Cycle Summary

- All actual June payroll expenses will post to June. There will be **no biweekly** salary/benefits **accrual**.

- June **leave usage** will be included in the **July 12th** pay compute and will be reflected in MyReports on July 16th.

- Posting dates for June payroll transactions (PETUs will be entered into the below computes according to when received)

<table>
<thead>
<tr>
<th>Pay Cycle</th>
<th>Pay Compute Date</th>
<th>Available in MyReports</th>
</tr>
</thead>
<tbody>
<tr>
<td>June monthly &amp; biweekly</td>
<td>7/5/18</td>
<td>7/9/18</td>
</tr>
<tr>
<td>June leave usage</td>
<td>7/12/18</td>
<td>7/16/18</td>
</tr>
<tr>
<td>Last June PET posting</td>
<td>7/19/18</td>
<td>7/23/18</td>
</tr>
</tbody>
</table>
Funds/Projects to Review

- State Funds 1900 and 1924
- Campus Core Fund 5000
- Agency Funds 2xxx
- Spend down of Gifts & Endowment income projects
  - Review Project Manager PRR report
  - Review spending plans submitted in January
  - Control point will be in touch after fiscal close for status update on spending plans
- Recharge Funds
  - Complete recharge and depreciation reserve journals
- Rate Additive Project 2000625
- Fund projects such as 1000112, 1000111, 1111111
General State (SEA) 1900

- Aggregated at Dept ID level 2:
  - Surplus balance of $25,000 or less will be automatically carried forward.
  - Surplus balance in excess of $25,000 is not allowed. For exceptional requests, please contact Deanna Woo.
  - No net position transfers (accounts 78xxx) between 1900 and non-1900 fund.
  - No deficits allowed. Projects in deficit should be cleared.
  - GME fund 1900 allocation should be spent down. No deficits allowed.
Campus Core Fund 5000

- Aggregated at Dept ID level 2:
  - There is **no surplus** carry forward balance **limit/threshold**. All surplus balance will be automatically carried forward.
  - **No** net position **transfers** (accounts 78xxx) between 5000 and non-5000 fund.
  - **No deficits allowed**. Projects in deficit should be cleared.
Best Practices for Close-Out

- Do **NOT** wait until the last day.
- Journals should be input **AND** department approved **prior** to 5pm deadlines.

Address deficit/surplus prior to July 13 PETU Controller’s Office deadline and prelim close (**preferred**):

1) PETU – Factor in items that will hit during interim ledger: June vacation leave, GAEL, data network, ITFS (see excel 1900 spending template)

2) 535 financial journal – Transfer non-payroll expenses at posting account level to/from a discretionary source (such as funds 5014/5018). Use of 58451 (unusual, non-recurring) or 58351 (sponsored deficit) is not allowed. Lump sum transfers across different expense accounts are **NOT** allowed.

After July 13 prelim close:
Only 535 financial journal transfer of non-payroll expenses at posting account level to/from a discretionary source
Best Practice - Close-Out Examples

- **Example #1**
  - Clear all Fund 1900 and Fund 5000 *deficit balances* prior to prelim close and PETU deadline (7/13)
  - Safer to plan a surplus balance before entering interim close

<table>
<thead>
<tr>
<th>Level 2 dept ID net position balance, Prelim</th>
<th>-$50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll deficit</td>
<td>-$30,000</td>
</tr>
<tr>
<td>Non-payroll deficit</td>
<td>-$20,000</td>
</tr>
</tbody>
</table>

| Prepare PETU before 7/13                   | $40,000  |
| Salary                                    | $29,000  |
| Benefits                                  | $11,000  |
| Prepare 535 financial journal              | $25,000  |

| Level 2 dept ID net position balance, Prelim close | $15,000  |
Best Practice - Close-Out Examples (cont.)

- Example #2
  - Bring Fund 1900 surplus balance below $25K, close to $0 by interim close

<table>
<thead>
<tr>
<th>Level 2 dept ID net position balance, Interim</th>
<th>$15,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll surplus</td>
<td>$10,000</td>
</tr>
<tr>
<td>Non-payroll surplus</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project interim activities that may affect net position</th>
<th>$12,800</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation leave usage</td>
<td>$15,000</td>
</tr>
<tr>
<td>ITFS recharges</td>
<td>-$2,000</td>
</tr>
<tr>
<td>GAEL</td>
<td>-$200</td>
</tr>
<tr>
<td><strong>Prepare 535 financial journal – close-out journal</strong></td>
<td>-$27,000</td>
</tr>
</tbody>
</table>

| Level 2 dept ID net position balance, Interim close    | $800    |
Fiscal Year-End Accruals

- **Revenue Accruals**
  - Service performed but will not receive payment until after fiscal year-end
  - Work with Control Point or Controller’s Office to prepare accrual journal to **recognize revenue and book accounts receivable**
  - Estimated UCSF Health **purchase services and strategic support** true-up/down accruals not processed by prelim close will be **accrued at the School level**
  - Departments processing BCHO accruals should continue to do so

- **Expense Accruals**
  - Received goods or services but will not pay vendor until after fiscal year-end
  - Work with Control Point or Controller’s Office to prepare accrual journal to **recognize expense and book accounts payable**
  - **Bonus/incentive accruals** – Control Point to coordinate journal with Controller’s Office after collecting estimates from departments. ** Estimates due** from departments on **July 6th**.
Other Fiscal Close Items

- Call for FY18 Dean’s Office program support dollars – contact Mika Yoshigae
  - **Reimbursements** – send request to Mika Yoshigae by **July 5, noon**
  - **Deficit/operational support** – send request by **July 16, noon**

- Basic Science Funds Flow true-up/down
  - 1st true-up/down will post by **prelim close**
  - Any final true-up/down will post in interim

- Small balance discretionary project close-out
  - Will **defer write-off** of small balances (+/-$1,000) and de-activation of discretionary 2xxxxxx projects until after fiscal close - around **September/October**

- Review function code set-up for new fiscal year
  - Make sure all **payroll appointments** are set-up with proper **function code distributions** (don’t forget the education mission)
  - Be prepared to code all transactions accurately and consistently based on function code guide
  - Change research **career development awards** to sponsored research function code **44**
Resources


- Deficit Monitoring and Resolution: http://policies.ucsf.edu/policy/250-12
