**UC MERCED**

**Accounting Services**

 May 9, 2017

DEPARTMENTS/ADMINISTRATIVE OFFICERS:

**Re: Fiscal Closing, June 30, 2017**

It is time to prepare for the annual fiscal closing of the General Ledger as prescribed by the State of California. This closing process, which results in a statement of the year's financial operations in the University of California annual report, requires the coordinated efforts of General Accounting Services and campus departments to ensure that all financial activity is accurately recorded.

For campus departments, there are two significant periods in the fiscal closing process:

1. ***The time prior to June.***

During this period, it is important that all departments review their ledgers and verify that all requisitions, invoices, and payroll transactions for the current fiscal year have been correctly recorded and that all financial adjustments are posted.

1. ***During June and the first few weeks of July - up to the June Preliminary Ledger close on July 14.***

During this period, please monitor June financial activity with the use of the On-Line Financial System Reports or FS-QDB - GL Open Transactions. Please make sure to post expense transfers, income and expense deferrals or accruals, budget adjustments and any other corrections for the fiscal year before the deadline. If you have any questions, please call the appropriate contact person listed in the ***Schedule of Deadlines***.

√Beginning July 1, when submitting online transactions for **June** business, be sure to change the effective date to 06/30/17.

*REMINDER: All* ***revenue*** *and* ***expenditures*** *that pertain to fiscal year 2016-17 must be recorded in the general ledger by* ***July 7****. Review your accounts and verify that all financial activity for 2016-17 has been applied to the correct fiscal year and the correct Full Accounting Unit (FAU). If a correction is needed, all adjustments must be posted by* ***July 14****. Non-Payroll Adjustments for fiscal year funds,* ***CANNOT*** *be posted after that date, nor will adjustments be accepted in the next fiscal year.*

The period of time between the June preliminary ledger and the June final ledger, July 15 through July 28, is used by central administrative offices to process the required adjustments, and transfers that complete the closing process, and produce the June 30 Final General Ledger and associated reports.

**The attachment to this document contains the following information to assist you in planning for fiscal closing:**

***Schedule of Deadlines for the Preliminary Ledger – pages 1 - 5***

This schedule will enable you to coordinate your needs with the closing requirements of the University of California and various campus departments, including Procurement, Payroll, Facilities, University Development and Alumni Relations, Financial Aid Office, and the Graduate Division.

***Summary of Deadline Dates – page 6***

This listing provides summarized deadline information in date order and references the page where that step can be found within the ***Schedule of Deadlines***.

If you would like further information about fiscal closing, please call Marianna Eastman, in Accounting Services (228-4076) or the contact person listed in the ***Schedule of Deadlines***.

**NOTICE:** With the implementation of the Statement on Auditing Standards (**SAS 115**), entitled *Communicating Internal Control Related Matters Identified in an Audit*, replacing SAS 112, departments need to be diligent in retaining documentation, electronic or hard copy, and providing proof of internal controls. If requested, the lack of documentation could be interpreted by the auditors as a control deficiency and subsequently reported as an audit finding in financial reporting. For your reference, the prior [SAS 112 Key Controls Documentation Sample Template](http://map.ais.ucla.edu/go/1003770) is still available on the Controls and Accountability website – <http://controls.ucmerced.edu/>

***Marianna Eastman***

**General Accounting**

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Attachment

**RECONCILE LEDGERS MONTHLY**

√Verify that all transactions have been posted to the correct Full Accounting Unit (FAU).

√Make necessary adjustments.

√Clear all deficits (review On-line Financial System overdraft reports).

ATTENTION:

All payroll on-line expense transfers must be posted by June 23.

Revenue and expenditures that pertain to Fiscal year 2016-17 must be recorded in the general ledger by July 7.

Verify that all 2016-17 income and charges have been applied to the correct FAU.

All non-payroll adjustments must be posted by July 14.

 Reminder: Non-Payroll Adjustments, for fiscal year funds, **CANNOT** be posted after the June prelim, nor can adjustments be made in the next fiscal year.

Keep a close eye on all transactions, especially between June 30 and July 14, you don’t want to find any unexpected surprises on the final ledger.

 **SCHEDULE OF DEADLINES FOR THE JUNE 30, 2017 PRELIMINARY LEDGER**

This schedule is provided for departments to coordinate their needs with the fiscal closing deadlines. Observance of the deadline dates and hours will facilitate the closing process for everyone. Although many transactions are now submitted electronically, there are still some paper documents that need to be manually processed. For those paper documents, if it is close to the cutoff date, please hand deliver to the appropriate office to guarantee a timely delivery. Whenever possible, please post transactions or send documents prior to the cutoff. Questions concerning the transactions should be directed to the person or department shown within this schedule.

This schedule is available in Accounting Services. See attachment for Preliminary Ledger Deadlines.

The preliminary ledger *is the last opportunity a department will have to make corrections and adjustments for the period of July 1, 2016 through June 30, 2017, in order to have them affect fiscal year 2016-17, and be reflected on the June 30, 2016-2017 Final Ledger.*

PRELIMINARY LEDGER DEADLINESPAGE

**Establishing Encumbrances 1**

**Recording Expenditures 2 - 3**

**Recording Income, Service Department Billings, and Recharges 4**

**Recording Adjustments and Year-end Accruals & Deferrals 4**

**Recording Budget Adjustments 5**

**Ledger Availability**  **5**

SUMMARY OF DEADLINES **6**

**Reminder**:Non-payroll adjustments, for fiscal year funds, CANNOT be posted after the June prelim, nor will adjustments be accepted in the next fiscal year. Please reconcile all accounts on a timely basis and post adjustments prior to the July 14 deadline.

**Message concerning bi-weekly payroll**: Those departments that have employees on bi-weekly pay schedules that are working during the weekends after the last pay-period end date of June 17, 2017 (the days include June 18, June 24, and June 25) and feel that the bi-weekly payroll charges for those days are of *material value* can accrue the charges for the preliminary ledger. Manual entries are needed for these days because the automatic accruals are only calendared for week days. A memo detailing the acct/cc-fund sub object and dollar amount to be accrued must be sent to the Accounting Services Office no later than Monday July 10 by 10:00 a.m. (see page 4). Please include your department name, a contact person, and phone number.