Bowdoin College
memorandum

To: All Managers and Financial Edge Users
From: Lisa Roux, Controller
Date: May 15, 2015
Subject: Year-End Accounting Procedures – June 30, 2015

The College’s financial year ends on June 30, 2015. The books are then closed in preparation for the annual audit by KPMG, LLC. There is much that needs to be done to prepare for the audit. Year-end is a tremendously busy time for us, but we can succeed on this tight schedule with your help! New this year: we are piloting an additional 2-day window for “final project review”. The intent is to give project managers one last look at their projects after year end journal entries and invoices are posted. It is important to use this for final review only. It is not an extension to the July 14th due date noted below.

Please note the following deadlines for processing your departmental transactions. If you have any questions, please contact me at ext. 3960, or any of the people listed below.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Deadline</th>
<th>Deliver To</th>
<th>Documentation Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>Tuesday June 30 by 5:00 p.m.</td>
<td>Bursar’s Office/Cashier Diane Fournier Ext. 3249 <a href="mailto:dfournier@bowdoin.edu">dfournier@bowdoin.edu</a></td>
<td>Submit all petty cash reimbursement requests and supporting documentation for expenses paid through June 30, 2015.</td>
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<tr>
<td>Cash Deposits</td>
<td>Tuesday June 30 by 5 p.m.</td>
<td>Bursar’s Office/Cashier Diane Fournier Ext. 3249 <a href="mailto:dfournier@bowdoin.edu">dfournier@bowdoin.edu</a></td>
<td>Submit deposit forms with checks, credit card receipts and cash received by your department through June 30, 2015. If you conducted business on Tuesday evening June 30th, please submit your deposit on Wednesday July 1st by 2:00 p.m.</td>
</tr>
<tr>
<td>Invoices</td>
<td>Tuesday July 14</td>
<td>Accounts Payable Lynne Toussaint Ext. 3843 <a href="mailto:ltoussai@bowdoin.edu">ltoussai@bowdoin.edu</a></td>
<td>Submit any invoices in your possession with invoice dates of June 30, 2015 or earlier; goods purchased need to be in the College’s possession at June 30th to qualify as a FY 2015 expense. If an invoice is dated July 1, 2015 or later but goods were received by June 30, those should also be submitted since it is an FY 15 expense.</td>
</tr>
</tbody>
</table>
| **Accrued Expenses** | Tuesday July 14 | Accounts Payable  
Lynne Toussaint  
Ext. 3843  
ltoussai@bowdoin.edu | Submit Accrued Invoice Control sheets (available on Controller's Office website -forms) and supporting documentation for goods received/services incurred prior to June 30th for which you have not yet received an invoice. *Please limit accrual to items greater than $250.* |
| **Journal Entries and Imports** | Tuesday July 14 | Controller's Office  
Marc Berry  
Ext. 3029  
mberry@bowdoin.edu | Submit journal entry forms and/or journal entry imports with supporting documentation for any adjustments to your accounts pertaining to FY 2015. |
| **Credit Card Expenses** | Tuesday July 14 | Controller's Office  
Robin Saindon  
Ext. 3584  
raindon@bowdoin.edu | All credit card expenses through 6/30 should be submitted and approved in **Certify** by July 14th. Note: If you make a purchase on 6/30, it will take a couple of days for the expense to show up in your Certify account for processing. |
| **Inventory Counts** | Tuesday July 14 | Controller's Office  
Glenn Morin  
Ext. 3251  
morin@bowdoin.edu | Submit inventory counts as of June 30, 2015 with supporting documentation by July 14th. |
| **Vacation Tracking** | Monday June 22 | Human Resources  
Cindy Bessmer  
Ext. 3911  
cbessmer@bowdoin.edu | **Exempt Employees Only:** Record Exception Time in TimePro by 10:00 am on Monday June 22nd; please estimate time through June 30th. |
| **Final Review** | Monday July 20th – Tuesday July 21st | Controller's Office  
Lisa Roux Ext. 3960  
Lroux@bowdoin.edu  
Marc Berry Ext. 3029  
mberry@bowdoin.edu | Invoices, JE’s, Certify charges and Accruals submitted by July 14th will be entered in FE by Monday morning, July 20th. Perform final review of projects and notify Lisa or Marc of corrections by 5:00pm Tuesday July 21st. |

**Documentation**

Please be sure to attach adequate documentation to support all deposits, journal entries, accrued expenses and deferral requests. Year-end transactions are carefully audited both internally and externally, and cannot be recorded without adequate support.

**Guidelines for Coding Year End Invoices/Expenditures**

A) **Services/Subscriptions/Licenses:** For items such as maintenance & license agreements, subscriptions, dues and other *services covering a period of time*, invoices for **$2,500 or less** should be charged to the fiscal year in which the service begins. Invoices greater than **$2,500**
should be prorated between fiscal years. How? Code the invoice to the new year and write **PRORATE** on the invoice. To code an invoice to the new year, use acct code **1-1225 Deferred Expense** (also indicate the **appropriate expense code** to use when recognizing the expense). Controller’s Office staff will charge the entire invoice to the new year then prorate accordingly via journal entry.

**Example 1**
A $1500 invoice for a membership fee covering the period August 1, 2015 through July 31, 2016 is due and paid by June 15th. Since the amount is < $2,500 and the service begins in FY 2016, code the invoice to FY 2016. Use acct code 1-1225 and indicate the proper expense code for expense recognition in the new year.

**Example 2**
A $900 invoice for a membership fee covering the period June 1, 2015 through May 31, 2016 is due and paid by June 15th. Since the amount is < $2,500 and the service begins in FY 2015, code the invoice to FY 2015 using normal invoice coding procedures.

**Example 3**
A $5000 invoice for a software maintenance fee covering the period May 1, 2015 through April 30, 2016 is due and paid by May 15th. Code the invoice to FY 2016 (use acct code 1-1225 and indicate the proper expense code for expense recognition) and write “**PRORATE**” on the invoice. Since the amount is >$2,500 the Controller’s Office will prorate the expense ratably between FY 2015 and FY 2016.

B) **Conference Registration and Travel:** Registration fees and travel expenses for conferences that cross fiscal years should be charged to the fiscal year in which the event or travel begins.

C) **Supplies & Services:** Goods received on or before June 30th should be coded to FY 2015. Goods received after June 30th, even if paid for prior to June 30th, should be coded to FY 2016. **Exception:** goods/services purchased prior to June 30th that relate to a summer/fall program (see Deferred Revenue & Expense below for details).

**Deferred Revenue and Expenses**

Deferred revenues and expenses represent timing differences between when money is deposited or paid, and when the related activity occurs. Be sure to **clearly mark** any transactions of this nature so the Controller’s Office can defer the revenue or expense appropriately AND recognize it the new year.

**Deferred Revenues** are deposits received in the current fiscal year for a program that takes place in the new fiscal year. Code the deposit to **1-2320 Deferred Revenue** and also indicate somewhere on the deposit form the **appropriate revenue code** to use when recognizing the revenue in the new year.
Deferred Expenses are expenditures made in the current fiscal year for a program/travel that takes place in the new fiscal year. Code the invoice/voucher/credit card statement to deferred expense 1-1225 and also indicate somewhere on the invoice the appropriate expense code to use when recognizing the expense in the new year.

Example 4
The Outing Club collects registration fees in June for pre-orientation trips that will take place in August. The deposits should be coded to account 1-2320; you should also indicate on the form that account 1-4190 (Other Auxiliary revenue) should be used to recognize the revenue in the new year.

Example 5
Your department pays the registration in June for a conference you’ll be attending in August. The invoice should be coded to 1-1225; you should also indicate on the invoice that account 1-6070 (Travel-Conference Fees) should be used to recognize the expense in the new year.

Similarly, goods purchased in June for use in a July summer program (example: t-shirts for Maine Writers Camp) should be deferred; the expense belongs in the next fiscal year because the goods are associated with a program that takes place in the next fiscal year.

Certify Reporting
All credit card expenses through June 30th should be submitted and approved in Certify by July 14th. Note: If you make a purchase on June 30th, it will take a couple of days for the expense to show up in your Certify account for processing.

For employees using Certify for reimbursement requests, all out of pocket reimbursement requests for expenses incurred through June 30, 2015 should be submitted and approved in Certify by July 14, 2015.

IMPORTANT: Please do not mix July (FY 16) activity with June (FY 15) activity in your Certify expense reports. If at all possible, please hold off submitting July activity until after July 14th.

On-line Resources
Please visit the Controller’s Office on-line at: https://www.bowdoin.edu/controller/index.shtml. For a listing of account codes: https://www.bowdoin.edu/controller/internal/codes/account-codes.shtml.

Many thanks for helping make this a successful close to the fiscal year!