

Bowdoin College

memorandum

To: All Managers and *Financial Edge* Users

From: Karen Champagne, Director of Accounting

Date: May 15, 2020

Subject: Year-End Accounting Procedures – June 30, 2020

The College’s financial year ends on June 30, 2020. In order for accounting records to be complete and accurate, we need the assistance and coordinated effort of all those responsible for College financial transactions. The following deadlines are crucial to the year-end close process and enable the Controller’s Office to prepare for the annual financial statement audit and properly reflect budget results.

With remote work continuing and the uncertainty of staffing levels during June and July, the Controller’s Office recognizes questions and concerns will arise. Please contact us and we will work with you to resolve any issues. We will distribute any updates to dates, times, or processes if needed.

As with prior years, we are providing 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 20th due date noted below.

If you have any questions, please contact me at ext. 4178, or any member of the Controller’s Office.

Transaction	Deadline	Deliver To	Documentation Needed
Petty Cash	Tuesday June 30 <i>by 5 p.m.</i>	Bursar’s Office/Cashier Diane Fournier Ext. 3249 dfournier@bowdoin.edu	Submit all petty cash reimbursement requests and supporting documentation for expenses paid through June 30 th .
Cash Deposits	Tuesday June 30 <i>by 5 p.m.</i>	Bursar’s Office/Cashier Diane Fournier Ext. 3249 dfournier@bowdoin.edu	Submit deposit forms with checks, credit card receipts and cash received through June 30 th . If you conducted business on Tuesday evening June 30 th , please submit your deposit on Wednesday July 1 st by 2:00 pm and indicate the sales are for FY 20.
Invoices	Tuesday July 14	Accounts Payable Joanna Long Ext. 3470 accounts payable@bowdoin.edu	Submit any invoices in your possession with invoice dates of June 30 th or earlier; <u>goods purchased need to be in the College’s possession at June 30th to qualify as a FY 2020 expense.</u> If an invoice is dated July 1, 2020 or later but goods were received by June 30, those should also be submitted since it is an FY 20 expense.

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 30 th for which you have not yet received an invoice. Accruals are NOT needed for items less than \$5,000.
Credit Card Expenses and out of pocket reimbursement requests	Tuesday July 14	Controller's Office Robin Saindon Ext. 3584 rsaindon@bowdoin.edu	All credit card expenses dated through June 30 th should be submitted and approved in <u>Workday</u> by Tuesday July 14 th . Additionally, submit out of pocket reimbursement requests for any expenses incurred prior to June 30 th by July 14 th . Please coordinate this deadline with your expense report approver. July dated expenses can be submitted starting on July 15 th . See page 5 for more details.
Journal Entries and Imports	Friday July 17	Controller's Office Marc Berry Ext. 3029 mberry@bowdoin.edu	Email journal entry forms to Jeentry@bowdoin.edu and/or import journal entries with supporting documentation for any adjustments to your projects pertaining to FY 2020.
Inventory Counts	Friday July 17	Controller's Office Glenn Morin Ext. 3251 morin@bowdoin.edu	Submit inventory counts as of June 30 th with supporting documentation by Friday July 17 th .
Vacation Tracking	Tuesday June 30	Payroll Lynne Toussaint Ext. 3843 ltoussai@bowdoin.edu	Exempt Staff Only: Time off taken in June needs to be entered and approved in Workday by Tuesday June 30 th .
Final Review	Monday July 20 – Tuesday July 21	Controller's Office Karen Champagne Ext. 4178 Marc Berry Ext. 3029 kchampag@bowdoin.edu mberry@bowdoin.edu	Invoices, JE's, Workday charges and Accruals submitted by July 14 th will be entered in FE by end of day Friday evening, July 17 th . Perform final review of projects and notify Karen or Marc of corrections by 5:00 pm Tuesday July 21 st .

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

Supplies, Equipment & Services: Expenses generally belong in the year in which goods were received or services were performed, with very few exceptions (discussed below). Goods received on or before June 30th should be coded to FY 2020. Goods received after June 30th, even if paid for prior to June 30th, should be coded to FY 2021 (see Deferred Expenses on next page).

Contracts/Subscriptions/Licenses: Some payments are for items such as maintenance & license agreements, subscriptions, dues and other *services covering a period of time*.

- invoices for **\$10,000 or less** should be charged to the fiscal year in which the service begins
- invoices greater than **\$10,000** should be charged to the new year with the word ***“PRORATE”*** written clearly on the invoice. To code an invoice to the new year, use acct code 1-1225 and indicate the **appropriate acct code** for the type of expense (ex. 1-5710 for supplies). Controller’s Office staff will prepare a journal entry to prorate the expense between fiscal years.

Example 1

A \$3,500 invoice for a membership fee covering the period August 1, 2020 through July 31, 2021 is paid on June 15th. Since the amount is < \$10,000 and the service begins in FY 2021, code the invoice to FY 2021. Use acct code 1-1225 and indicate the proper expense code (1-6525 for dues & memberships) for expense recognition in the new year.

Example 2

An \$8,000 invoice for a membership fee covering the period June 1, 2020 through May 31, 2021 is paid on May 15th. Since the amount is < \$10,000 and the service begins in FY 2020, code the invoice to FY 2020 using normal invoice coding procedures.

Example 3

A \$12,000 invoice for software licensing fees covering the period May 1, 2020 through April 30, 2021 is paid on May 15th. Since the invoice is >\$10,000, code the invoice to FY 2021 using acct code 1-1225 and indicate the proper expense code for expense recognition (1-5726 for software license fees) and write ***“PRORATE”*** on the invoice. The Controller’s Office will prorate the expense between FY 2020 and FY 2021.

Conference Registration and Travel: Registration fees and travel expenses for conferences or other business events that cross fiscal years should be charged to the fiscal year in which the event or travel begins -- FY 20 if the travel begins in June of this year.

Deferred Revenue and Expenses

Deferred revenues and expenses represent timing differences between when money is deposited or paid, and when the corresponding revenue or expense should be recognized. 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 in the new year.

Deferred Revenues are deposits received in the current fiscal year for a revenue producing program that takes place in the new fiscal year. Examples include summer conferences and sports camps. Deposits should be coded to **1-2320 Deferred Revenue** and the appropriate revenue code to use in the new year should be noted on the deposit form.

Example 4

The Athletic office collects registration fees in June for a soccer camp that will take place in July. They should code these deposits to account **1-2320** and indicate on the deposit form that account **1-4190** (Other Auxiliary Revenue) should be used to recognize the revenue in the new year. Deposits collected in July should be coded directly to 1-4190.

Deferred Expenses are payments made in the current fiscal year for:

- a. goods received in the new fiscal year
- b. services received in the new fiscal year
- c. travel that takes place in the new fiscal year
- d. supplies received in the current fiscal year but **directly related to** a revenue producing program that takes place in the next fiscal year.

The invoice/voucher/credit card expense should be coded to **1-1225 Deferred Expense** and the appropriate expense code to use when recognizing the expense in the new year should be noted on the invoice or in the account number field of your Workday expense report.

Example 5

Your department pays registration fees 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** (Registration Fees – Staff Training, Certifications, Conferences) should be used to recognize the expense in the new year.

Example 6

The Athletic dept purchases soccer balls in June for use in the soccer camp being held in July (a revenue-producing camp for kids). The soccer balls arrived in June, but the invoice should still be deferred using acct code **1-1225** because the goods are associated with a revenue-producing program that takes place in the next fiscal year.

Workday Expenses Reporting

All credit card expenses and out of pocket reimbursement requests for expenses dated through June 30th should be submitted and approved in [Workday](#) 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 Workday account for processing.

Please code deferred expenses (discussed on pages 3 and 4) to acct code 1-1225 and enter the FY21 expense item number in the applicable field.

Linked Quick Expense	<input type="text"/>	☰
Date	* 06 / 28 / 2020	📅
Expense Item	* × Deferred Expenses (1225) ...	☰
Total Amount	* 150.00	
Currency	* × USD ...	☰
Memo	Sunshine Conference, October 2021	
*Cost Center	× 240125 Controller's Office ...	☰
Conference/Training?	× Yes ...	☰
International Region	<input type="text"/>	

Instructions

- Please use expense item 1225 to defer expenses to the next fiscal year (June for trip in July).
- Enter the expense item code for the next fiscal year in the **Date** field.
- The **Date** should contain the date of purchase.
- Enter a business reason in the **Memo**, if not covered by the **Attach receipt(s)** for expenses \$50 or greater.
- To remove an **itemization**, select EDIT and then the trash icon.
- New or edited expenses will auto save as you add or click **area to the left**.

[Detailed instructions](#) including submitting a report [with](#) or [without](#) receipt.

Item Details

Merchant	* Delta
Expense Item # for Next Fiscal Year	* 6010

IMPORTANT: Please do not mix July (FY 21) activity with June (FY 20) activity within the same Workday expense report. If possible, please hold off submitting July activity until after July 14th. If you need reimbursement for an FY21 item before the deadline, please contact Robin.

On-line Resources

Please visit the Controller's Office on-line at: <https://www.bowdoin.edu/finance/index.html>.

For a listing of **account codes**:

<https://www.bowdoin.edu/finance/pdf/acct-code-short-list.pdf#account%20code>

Many thanks for contributing to the successful close of the fiscal year!