

## Financial Year End Procedures 2012/13

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### 1. Introduction

The University's financial year ends on the 31st July. Each year the Finance Office must publish a set of audited accounts for the whole University which give a true and fair view of the finances of the University.

Everyone's co-operation is essential to ensure that transactions such as purchases and income are recorded in the correct financial year. This document lays down the timetable and procedures departmental administrators need to follow so that this task is achieved.

### 2. Financial Year Dates

**2012/13** - 1 August 2012 to 31 July 2013 is **known in this document as the closing year.**

**2013/14** - 1 August 2013 to 31 July 2014 is **known in this document as the new year.**

### 3. Deadlines for Departments

Description	Time	Day	Real Date
Fixed Assets Verification Return	5pm	Thursday	1 August
Income & Debtors Invoices	5pm	Wednesday	31 July
Banner ALL sessions to be closed by	5 pm	Wednesday	31 July
Petty Cash Imprests	2pm	Wednesday	31 July
Operating Leases Return	5pm	Thursday	1 August
Staff Expense Claims	5pm	Wednesday	7 August
Complete GRN's for all July deliveries	5pm	Wednesday	7 August
The Creditor System July Period (Period 12) will remain open for the input of Late arriving invoices for goods/services received in the closing year up to	5pm	Wednesday	7 August
Journal Accruals/Pre-Payments of Invoices/Income - notice to Accountants	5pm	Wednesday	14 August
Journals & Recharges	5pm	Wednesday	14 August

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Manual Expense Accruals Return	5pm	Friday	16 August
Pre-paid Goods & Services Return	5pm	Friday	16 August

### 4. Invoices for Goods and Services (Creditor Invoices)

This section provides information on how to deal with invoices for goods and services received and the Agresso Creditors and Purchase Ordering System.

#### 4.1 Accruals Accounting - Which Year is the Expenditure Recognised ?

The rule for determining whether an invoice charge is posted to the closing year or the new year is based upon the date of receipt of the goods or services.

If goods are received or the services used on or prior to 31 July then the invoice charge must be posted to the closing year.

If the goods are received or the services used on or after the 1 August then the invoice charge must be posted to the new year.

In some cases invoices may relate to services used either side of the year end date (e.g. annual maintenance contracts, annual subscriptions, quarterly rentals, quarterly utility bills etc.). In these cases the invoice charge will need to be split between the closing year and the new year (*this is normally calculated pro-rata on a time apportioned basis*) by way of posting a manual journal adjustment to the system.

#### 4.2 Registration of Creditor Invoices on Agresso

The July 2013 accounting period on Agresso will remain open for the registration of all creditor invoices dated on or before the 31 July 2013 until the 7<sup>th</sup> August (no invoices dated from 1<sup>st</sup> August onwards will be registered until after the 7<sup>th</sup> August cut-off). Following central invoice registration the system processes invoices in two different ways:

- If a Purchase Order (PO) has been raised on Agresso, the invoice will be systematically matched to the Goods Received Note (GRN) and PO. **These are known as Purchase Invoices (PINs)**. If the 3 way match is "in tolerance" the invoice will be paid, otherwise it will workflow to the ordering department for investigation/approval.
- Where manual purchase orders have been issued Agresso will workflow the invoices to the ordering department for both coding and payment approval. **These are known as Supplier Invoices (SINs)**.

#### 4.3 Purchase Invoices (PINs)

Purchase invoices dated on or before the 31<sup>st</sup> July that are registered on or before the 7<sup>th</sup> August, and which are "in tolerance" will be posted into the July accounting period. Any purchase invoices which are "out of tolerance" and resolved/approved after this date will be posted to the August accounting period.

To ensure the accuracy of the year-end close, and to reduce the number of accruals required, **it is imperative that departments are fully up to date with their GRN processing on Agresso by the 7<sup>th</sup> August**. You should be aware that the system defaults the delivery date (see below) to the current date,

and it is therefore very important that this be adjusted to reflect the actual delivery date for the goods/services where this is before the system default date.

**Goods receipt (U1)**

Save Clear Open Documents | Workflow user log SerialNo

An existing item has been loaded.

**Order information**

OrderNo	7000444
Delivery date	19/07/2010

As at the 7<sup>th</sup> August, accruals will be identified from the system centrally by the Finance Office for transactions falling into the following category:

- Open purchase orders (for which purchase invoices have yet to be received/registered) with GRN delivery dates on or before the 31 July 2013.

Based on this system information the Finance Office will upload accrual journal postings on behalf of departments to post the expenditure into the closing year. Departments will be provided with a report of the items being accrued.

On the 14<sup>th</sup> August, ALL departments must complete a manual accruals return (in the form set out below) for all Agresso purchase orders for goods/services received/used on or before the 31 July 2013, and for which the GRN has not been received/processed by the close of business on the 7<sup>th</sup> August 2013.

#### 4.4 Supplier Invoices (SINs)

Supplier invoices dated on or before the 31 July which have been both registered and approved on or before the 7<sup>th</sup> August will be posted to the July accounting period. Any invoices in workflow and not approved by this date will fall into the August accounting period and will need to be accrued. To minimise the number of accruals required, **it is imperative that departments are fully up to date with both their SIN coding and approval by the 7<sup>th</sup> August.**

To facilitate the accrual of prior year charges after the 7<sup>th</sup> August, **the Goods Received field on the coding string will be used**. All non-pay expenditure account codes will trigger the input of a mandatory "Goods Received" period to be entered in the form "mmmyy" (see below). The default value will be "N/A" and the user will be required to change the default to the actual month and year of delivery. The word "RANGE" can be used as a valid value on input to indicate those services received across more than one period.

As at the 14<sup>th</sup> August, accruals will be identified from the system centrally by the Finance Office for transactions falling into the following categories:

- Supplier invoices posted to the August accounting period with a Goods Received date on or before the 31 July 2013.
- Supplier invoices posted to the August accounting period with a Goods Received date entered as "RANGE".

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Based on this system information the Finance Office will upload accrual journal postings on behalf of departments to post the expenditure into the closing year. Departments will be provided with a report of the items being accrued.

On the 14<sup>th</sup> August, ALL departments must complete a manual expense accruals return (in the form set out below) for all manual purchase orders for goods/services received/used on or before the 31 July 2013, and for which the invoice has not been registered or approved in workflow by the close of business on the 14<sup>th</sup> August 2013.

### 4.5 Manual Year-end Expense Accruals Return

All departments are required to complete this mandatory return to include all transactions as detailed in the foregoing sections entitled "Purchase Invoices" and "Supplier Invoices". The attached 'Outstanding Goods and Services Received' form, should list all relevant items where the value is material to the year end accounts. In this case material means those individual order/invoice transactions greater than £5,000 each (including VAT). A copy of the purchase order and goods received note must accompany each item on the list. **Note: it is an external audit requirement for each department to make a submission. If there are no relevant transactions to include please mark as "Nil" return. Forms should be submitted to the Finance Office by close of business on the 16<sup>th</sup> August at the latest.**

The information from the list will be used by the Finance Office to create accrual journals to post the expenditure into the closing year.

### 4.6 Pre-paid Goods and Services Return

In some instances invoices will be posted to the closing year for goods/services that are received/consumed in the new year. This is unusual, but may happen in the case of say maintenance agreements, annual subscriptions and periodic rentals which are paid in advance (and in some cases the period of supply may span both the closing and new financial year).

Any such pre-paid expenditure needs to be manually adjusted by way of journal posting to remove it from the closing year and book it to the new year.

All departments are required to complete a "Pre-paid Goods and Services Return" to include details of all prepaid expenditure charged to the accounts in the closing financial year where the impact is material to the year end accounts. In this case material means those individual invoice transactions where the prepayment amount is greater than £5,000 (including VAT). **Note: it is an external audit requirement for each department to make a submission. If there are no relevant transactions to include please mark as "Nil" return. Forms should be submitted to the Finance Office by close of business on the 16<sup>th</sup> August at the latest.**

## 5. Petty Cash

All petty cash reimbursement batches should be sent to Central Finance in the usual way. However, there are two additional tasks, which should be undertaken at the yearend.

Immediately prior to your final reimbursement batch of the closing year, reconcile the petty cash float to the original float value with another member of staff present.

If the float is short and the difference is less than £5, then write off the amount by entering it as a transaction into the final reimbursement batch, and include with the batch your reconciliation signed by both members of staff present. Use any departmental cost code appropriate.

If the float is over and the difference is less than £5, then pay the money into Cashiers, together with a

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copy of the signed reconciliation. Use any departmental cost code as appropriate.

If the difference is more than £5 then advice should immediately be sought from the Accountant in Finance who normally deals with your accounts.

On the 31<sup>st</sup> July, Reconcile the petty cash float using the attached 'Petty Cash Reconciliation' form, the certification should be signed and dated by the two members of staff responsible for checking the float. Send the form to the Payments Section of Finance. **This is a mandatory return for all petty cash floats.**

### **6. Purchase Orders**

Before the end of July cancel any orders that are no longer required.

### **7. General Ledger - Journals**

All registered journals are now transacted through Agresso workflow and must be input and approved by 5pm on 14th August. For journals relating to the closing year the period must be 201212 and for journals for the New Year 201301

Agresso BIF uploads must be received by the Finance Office by no later than 5pm 14th August. For journals relating to the closing year the period must be 201212 and for journals for the New Year 201301

Note: the transaction date in Agresso does not automatically determine the period and you must ensure that the correct period is selected when you enter the journal.

After the deadline, journals for the closing year can only be posted by Finance, and you should contact the Accountant in Finance who normally deals with your accounts for further advice as soon as possible. All closing year transactions should be notified to Finance by no later than 21<sup>st</sup> August.

### **8. Income and Sales Orders**

All sales orders are now transacted through Agresso workflow. Orders for the sale of goods or services supplied by the University prior to August 1st must be input and approved at Departmental Level by 12 noon on the 31<sup>st</sup> July to ensure they are dealt with in the Finance Office before the 5 o'clock deadline

Sales orders that arrive in workflow after 5 o'clock on the 31<sup>st</sup> July will not be approved until the 1<sup>st</sup> August and will therefore be processed in the new financial year.

After the 31<sup>st</sup> July, any sales for the closing year must be notified to the Accountant in Finance who normally deals with your accounts as soon as possible and no later than 14<sup>th</sup> August.

All receipts of cash, cheques and credit cards must be banked on the day of receipt.

### **9. Fixed Assets Verification Return**

Equipment purchases relating to high value individual items costing more than £10,000 are capitalised on the University's balance sheet as fixed assets. During July, those departments who have such assets will be sent a schedule of those items held on the University's balance sheet as at the previous financial year-end. These returns will request departments to undertake a physical verification of all the items listed. The purpose is to confirm whether the assets are still in use, or whether they have been scrapped or disposed of, in order that we can ensure the gross cost is properly reflected in the University's audited accounts. Your returns should be completed and sent to Graham Roberts in the Finance Office by the 1 st August in accordance with the instructions circulated.

### **10. Operating Leases Return**

For the purposes of preparing the University's audited accounts the University is required to identify all amounts paid and payable under both lease and hire purchase agreements during the course of the closing financial year. Details are required for all lease and hire purchase agreements that have been live in the closing financial year.

During July all departments will be issued with more detailed instructions and a pro-forma return to be completed and sent to Graham Roberts in the Finance Office by 1<sup>st</sup> August.

### **11. Help Desk**

Should you require any further information about any aspect of the year end or Agresso please contact the Helpdesk on:- Extention 2636 Email: [agressohelpdesk@bangor.ac.uk](mailto:agressohelpdesk@bangor.ac.uk) Payroll matters can be referred to Linda Chapman, the Payroll Supervisor.

Extension 2054 Email: [fos010@bangor.ac.uk](mailto:fos010@bangor.ac.uk)

Creditor, Petty Cash and Journal enquiries can be referred to Jacquie Williams, the Payments Supervisor

Extension 2050 Email: [fos001@bangor.ac.uk](mailto:fos001@bangor.ac.uk)

Income/Debtors enquiries can be referred to Karen Parry, the Income Officer

Extension 2055 Email: [k.parry@bangor.ac.uk](mailto:k.parry@bangor.ac.uk)

Year end timetable matters can be referred to Selwyn Hayward, Deputy Director of Finance

Extension 2053 Email: [s.hayward@bangor.ac.uk](mailto:s.hayward@bangor.ac.uk)







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### PETTY CASH RECONCILIATION AS AT 31 JULY 2013

HELD BY \_\_\_\_\_ PETTY CASH PROJECT \_\_\_\_\_

Item	Value	Value
£50 Notes		
£20 Notes		
£10 Notes		
£ 5 Notes		
£ 1/2 Coins		
£50p Coins		
£20p Coins		
£10p/ 5p Coins		
£2p / 1p Coins		
<b>Total Currency</b>	<b>&gt;&gt;&gt;</b>	
Receipts Held (List items)		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
<b>Total Receipts not yet reimbursed</b>	<b>&gt;&gt;&gt;</b>	
<b>Receipts reimbursed but cheque not yet received : Trans No _____</b>	<b>&gt;&gt;&gt;</b>	
<b>Reimbursement Cheque received but not yet cashed: Cheque No _____</b>	<b>&gt;&gt;&gt;</b>	
<b>Total Held in Petty Cash Float</b>	<b>&gt;&gt;&gt;</b>	
Compare to		
<b>Original Petty Cash Value</b>	<b>&gt;&gt;&gt;</b>	
<b>Difference ( Short / Over )</b>	<b>&gt;&gt;&gt;</b>	

We certify that this represents a true and correct balance of the Petty Cash Float as at 31<sup>st</sup> July \_\_\_\_\_.

Signed \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_

Signed \_\_\_\_\_ Name \_\_\_\_\_ Date \_\_\_\_\_

### Agresso System Dates and Period Codes

201200	Opening Balances for 2012/13
201201	Aug 2012
201202	Sep 2012
201203	Oct 2012
201204	Nov 2012
201205	Dec 2012
201206	Jan 2013
201207	Feb 2013
201208	Mar 2013
201209	Apr 2013
201210	May 2013
201211	Jun 2013
201212	Jul 2013
201213	Reserved for Finance

201300	Opening Balances for 2013/14
201301	Aug 2013
201302	Sep 2013
201303	Oct 2013
201304	Nov 2013
201305	Dec 2013
201306	Jan 2014
201307	Feb 2014
201308	Mar 2014
201309	Apr 2014
201310	May 2014
201311	Jun 2014
201312	Jul 2014
201313	Reserved for Finance