

## Financial Year End Procedures 2015/16

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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

**2015/16** - 1 August 2015 to 31 July 2016 is **known in this document as the closing year.**

**2016/17** - 1 August 2016 to 31 July 2017 is **known in this document as the new year.**

### 3. Deadlines for Departments

Task/Action	Time	Day	Date	See Paragraph
Fixed Assets verification return	5pm	Friday	29 July	9
Sales Orders approved in workflow	2pm	Friday	29 July	8
All Banner sessions to be closed	5 pm	Friday	29 July	-
Petty Cash Imprest return	5pm	Friday	29 July	5
Operating Leases return	5pm	Monday	1 August	10
Staff Expense claims to Payments Office	5pm	Thursday	4 August	-
Creditor Invoices to Payments Office	5pm	Thursday	4 August	-
Income Accruals notice to Accountants	5pm	Friday	12 August	8
Journals (i.e. corrections, transfers and recharges) approved in workflow	5pm	Friday	12 August	7
Manual Expense Accruals return	5pm	Friday	12 August	4
Pre-paid Goods & Services return	5pm	Friday	12 August	4

## Financial Year End Procedures 2015/16

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### 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 Creditor Invoices with or without Purchase Orders

Creditor invoices dated on or before the 31 July which have been both registered and approved on or before the 29<sup>th</sup> July 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 minimize the number of accruals required, **it is imperative that departments are fully up to date with both their creditor invoice coding and approval and purchase received confirmations by the 29<sup>th</sup> July**.

To facilitate the accrual of prior year charges after the 31<sup>st</sup> July, **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.

. amoun...	Account	Costc	Project	Goods received	Tax code
600.00	501 Stationery	1020 Finance ...	G70200 Finance Office	JUL16 July 2016	PX Purchases - ...

As at the 8th August, accruals will be identified from the system centrally by the Finance Office for transactions falling into the following categories:

- Creditor invoices posted to the August accounting period with a Goods Received date on or before the 31 July 2016.
- Creditor invoices posted to the August accounting period with a Goods Received date entered as "RANGE".

Based on this system information the Finance Office will upload accrual journal postings

## Financial Year End Procedures 2015/16

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on behalf of departments to post the expenditure into the closing year. Departments will be provided with a report of the items being accrued.

ALL departments must complete and submit to the Finance Office by the 12<sup>th</sup> August, a manual expense accruals return (in the form set out below) for all goods/services received/used on or before the 31 July 2016, and for which the invoice has not been registered or approved in workflow by the close of business on the 8th August 2016.

### 4.3 Manual Year-end Expense Accruals Return

All departments are required to complete this mandatory return to include all transactions as explained in the foregoing section. 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 £2,500 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 12th 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.

### 4.4 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 £2,500 (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 12th August at the latest.**

## 5. Petty Cash

All petty cash reimbursement requests should be sent to Payments Office in 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

## Financial Year End Procedures 2015/16

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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 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 29th 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 Accounts Receivable 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 transacted through Agresso workflow and must be input and approved by 5pm on 12th August. For journals relating to the Closing Year the period must be 201512 and for journals for the New Year 201601

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 19th August.

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

All sales orders are 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 by Departments before 12 noon on the 29th July to ensure they are dealt with in the Finance Office before the 5 o'clock deadline

Sales orders that arrive in workflow after 2 o'clock on the 29th July will not be approved until the 1st August and will therefore be processed in the new financial year.

After the 29th 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 12th 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 capitalized 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

## Financial Year End Procedures 2015/16

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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 the Finance Office by the 29th July 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 the Finance Office by 1st August.

### **11. Help Desk**

Enquiries concerning: any aspect of Agresso please contact the Helpdesk on:-  
Extension 2636 Email: [agressohelpdesk@bangor.ac.uk](mailto:agressohelpdesk@bangor.ac.uk)

Enquiries concerning: Payroll can be referred to Linda Chapman, the Payroll Manager.

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

Enquiries concerning: Payments to Suppliers, Petty Cash reimbursements and Journals can be referred to Jacquie Williams, the Payments Manager

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

Enquiries concerning: Income/Debtors and Petty Cash Reconciliations can be referred to Hilary Jones, the Accounts Receivable Supervisor

Extension 2055 Email: [h.jones@bangor.ac.uk](mailto:h.jones@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)





## Financial Year End Procedures 2015/16

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### PETTY CASH RECONCILIATION AS AT 31 JULY 2016

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 31st July \_\_\_\_\_.

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

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

**PLEASE RETURN THIS FORM TO HILARY JONES, SUPERVISOR ACCOUNTS RECEIVABLE (NOT PAYMENTS OFFICE)**

## Financial Year End Procedures 2015/16

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### Agresso System Dates and Period Codes

201500	Opening Balances for 2015/16
201501	Aug 2015
201502	Sep 2015
201503	Oct 2015
201504	Nov 2015
201505	Dec 2015
201506	Jan 2016
201507	Feb 2016
201508	Mar 2016
201509	Apr 2016
201510	May 2016
201511	Jun 2016
201512	Jul 2016
201513	Reserved for Finance

201600	Opening Balances for 2016/17
201601	Aug 2016
201602	Sep 2016
201603	Oct 2016
201604	Nov 2016
201605	Dec 2016
201606	Jan 2017
201607	Feb 2017
201608	Mar 2017
201609	Apr 2017
201610	May 2017
201611	Jun 2017
201612	Jul 2017
201613	Reserved for Finance