

# Campus Finance & Administration Representatives Meeting

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May 16, 2013



WAKE FOREST  
UNIVERSITY

- **Financial Reporting Update**
- **Fiscal Year-End Audit & Compliance**
- **Fiscal Year-End Closing**
  - **Financial Accounting & Reporting (FAR)**
  - **Accounts Receivable (AR & SFS)**
  - **Payroll**
  - **Accounts Payable (AP)**
  - **Procurement Services**
- **Training Topic Roundtable**
- **Upcoming Finance Training**

# Financial Reporting Update

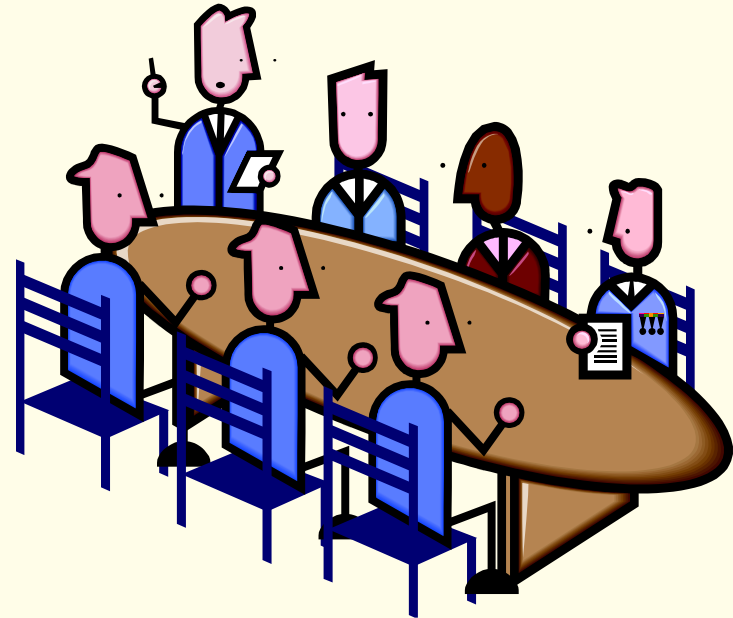
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Valarie F. Waddell  
Assistant Director, Financial Reporting



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- **CFRI Update**
- **Continuing Education and Updates**
- **Feedback**
- **Questions**



## **Phase I Initial Rollout – July 2010**

- Delivered the first set of next generation Cognos reports, including 8 summary reports and 5 detail reports

## **Phase II & III Deliverables – August 2011 - current**

- New/enhanced reports:
  - Agency Fund detail
  - PO-Invoice Reconciliation detail
  - Reserve Funds detail
  - Account Analysis summary
  - Fund Balance summary
  - Enhancements to Project summary and Salary detail reports
  - Minor cosmetic changes to several prompt pages
- Resourced detail reports from the EDW and added drill down capability

## **Current focus – expected to be released July/August 2013**

- Efficiency improvements to summary reports

## Cognos Financial Reporting Training

- Currently offered quarterly through June, bi-monthly beginning August
- Sign up through the PDC: <http://pdc.wfu.edu/event/4860/>
- Next class is scheduled for 06/19 at 2:00pm

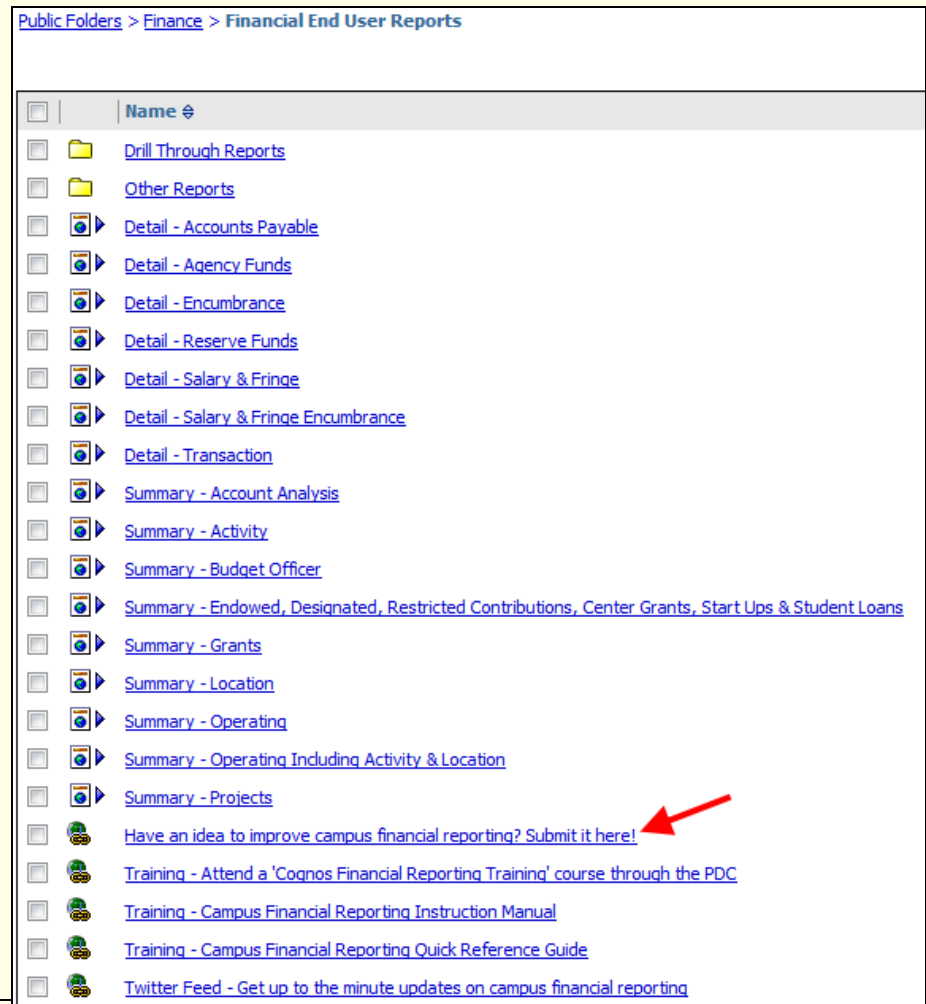
## Do you want more information about CFRI reports?

- Download instruction guides and Excel macros on the FAR web site under the “How to” tab: <http://finance.wfu.edu/faculty-staff/financial-reporting>
- Get up to the minute status updates via Twitter:  
[https://twitter.com/WFU\\_CFRI](https://twitter.com/WFU_CFRI)

There are two ways to submit your feedback and enhancement requests

- Email us at [cfri-feedback@lists.wfu.edu](mailto:cfri-feedback@lists.wfu.edu)
- Submit enhancement requests via the link within Cognos

Requests may be included in future releases if they provide benefit to the entire campus community





**Questions?**



# Importance of Fiscal Year-End Close

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Jeffrey M. Manning  
Assistant Director, Audit & Compliance



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- **Importance of Fiscal Year-End Close**
- **Audit of University Financial Statements**
- **Audit Timeline**
- **Basis of Accounting**
- **Questions**

- Annual evaluation of financial performance at the University and Departmental levels
- Close of operating budgets
- Evaluation of effectiveness of internal control systems in place and fiduciary responsibilities
- Needed for the preparation of Financial Statements in accordance with U.S. GAAP for:

*External Audit (KPMG)*

*Bond Holders*

*Donors*

*Insurance Providers*

*Board of Trustees*

*Department of Education*

*Tax Returns*

*Banks*

*The Wake Forest University fiscal year 2012 Financial Statements can be found at:*

<http://finance.wfu.edu/audited-financial-statements>



KPMG LLP  
Suite 400  
300 North Greene Street  
Greensboro, NC 27401

## Independent Auditors' Report

The Board of Trustees  
Wake Forest University:

We have audited the accompanying consolidated balance sheet of Wake Forest University (the University) as of June 30, 2012, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the University's 2011 consolidated financial statements and, in our report dated October 20, 2011, we expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wake Forest University as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the consolidated balance sheet, statement of activities, statement of cash flows, and the accompanying notes related to the College of Arts and Sciences, Schools of Law, Business, and Divinity, and Reynolda House, Inc. (collectively Reynolda Campus); and Wake Forest University Health Sciences (WFUHS) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**KPMG LLP**

October 25, 2012

KPMG LLP is a Delaware limited liability partnership,  
the U.S. member firm of KPMG International Cooperative  
("KPMG International"), a Swiss entity.

***“In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wake Forest University as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.”***

- KPMG, LLP will be conducting the external audit
- Preliminary Fieldwork, including an assessment of internal controls, will begin on May 20<sup>th</sup>
- KPMG will return in mid-August to audit the University's financial statements
- Audited financial statements and communication regarding internal controls will be presented to the Board of Trustees in October



"THAT'S THE LAST BOX TICKED - HAS ANYONE  
ANYTHING FURTHER TO RAISE?"

**U.S. GAAP – generally accepted accounting principles, in the U.S., are the accounting rules used to prepare, present, and report financial statements for non-profit organizations.**

- *GAAP includes the standards, conventions, and rules for recording and summarizing transactions, and for the preparation of financial statements.*
- *Requires that WFU prepare financial statements using the Accrual Basis of Accounting.*

**Accrual basis is the accounting method that records financial transactions by matching revenues to expenses at the time in which the transaction occurs rather than when payment is made or received.**

## **Accrual Examples:**

- Accounts Payable – *(used in fiscal 2013, paid in fiscal 2014)*
- Accounts Receivable – *(earned in fiscal 2013, received in fiscal 2014)*

## **Deferral Examples:**

- Prepaid Expense – *(paid in fiscal 2013, used in fiscal 2014)*
- Deferred Revenue – *(received in fiscal 2013, earned in fiscal 2014)*

**Fiscal year-end accruals will reverse in July 2013.**





# Questions?



# 2013 Fiscal Year-End Closing Guidelines

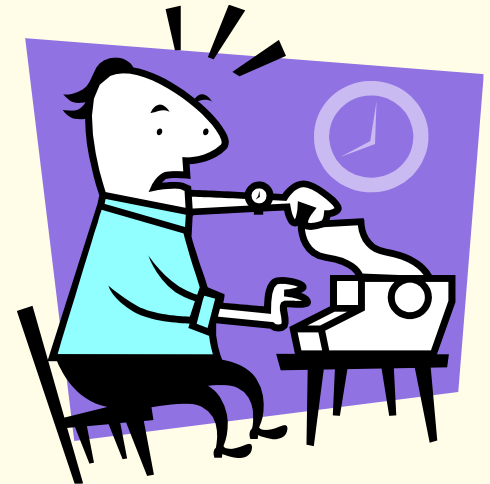
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Jennifer Killingsworth  
Assistant Director, General Accounting



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- **Fiscal Year-End Close and Your Role in the Process**
- **Fiscal Year-End Closing Schedule with Key Dates**
- **Fiscal Year-End Guidelines**
  - Financial Accounting & Reporting (FAR)
  - Accounts Receivable (AR & SFS)
  - Payroll
- **Questions**



# What is WFU's Fiscal Year-End?

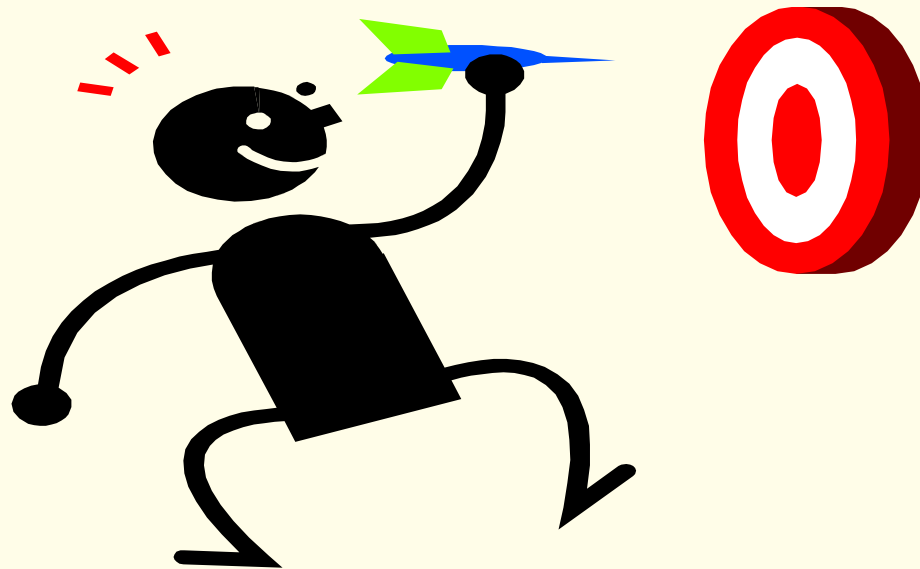
*Fiscal year is July 1<sup>st</sup> through June 30<sup>th</sup>*



**Year-end close is performed to finalize a snap shot of transactional activity for an entire fiscal year. Processes are performed to ensure that all transactions are posted and reflected on the financial reports.**

**Most processes at year-end occur throughout the year. The only change for year-end is proper management of June and July cut off dates.**

To record ALL receipts/revenues and disbursements/expenses in the proper fiscal year.





**The entire  
campus  
community  
is one team  
working in  
tandem.**



- **Review your reports and research any unusual or incorrect items (should be done throughout the year) as soon as possible.**
- **Ensure proper cutoff for transactions during June and July.**
- **Make sure all deadlines are met and that you have followed all year-end procedures that will be discussed today.**
- **Please ask questions if you need help!!**



# Key Dates for Fiscal 2013 Close- First Departmental Close

- June 7<sup>th</sup>** \* Final day to request a new supplier be set up through Procurement Services
- June 14<sup>th</sup>** \* Project Summary Requests (PSR) in FAR by 5 PM
- June 24<sup>th</sup>** \* Deacon Depot Purchase Requisitions entered by 5pm
- June 30<sup>th</sup>** \* Final day for receipt of goods for fiscal 2013
- July 2<sup>nd</sup>**
  - \* All deposits in Accounts Receivable by 4:30 PM
  - \* Invoices, employee travel expense reports, and expenditure vouchers in AP by 5 PM
  - \* Journal entries in FAR by 5 PM
  - \* Fixed asset addition/disposal support in FAR by 5 PM
- July 3<sup>rd</sup>** \* All fiscal 2013 gifts in Advancement by 3 PM
- July 8<sup>th</sup>** \* **FIRST Departmental Close – Draft reports available after 5 PM**





# Key Dates for Fiscal 2013 Close- Second Departmental Close

**July 9<sup>th</sup>**

- \* Payroll reallocations and redistribution in Payroll by 5 PM



**July 9<sup>th</sup>**

- \* Procurement card (Pcard) documentation in Accounts Payable (AP) and entered into Works by 5PM

**July 11<sup>th</sup>**

- \* Final Invoices, employee travel expense reports, and expenditure vouchers in AP by 5 PM
- \* Journal entries in FAR by 5 PM

**July 15<sup>th</sup>**

- \* Final Bi-weekly, Student, Ad Comp Payroll Accruals and any redistributions/reallocations recorded
- \* July 2nd Pcard statement accrual recorded
- \* APC entry for RCxxxx funds recorded
- \* Known prepaids and accruals

**July 16<sup>th</sup>**

- \* **SECOND Departmental Close – Draft reports available after 8:30 AM**

# Key Dates for Fiscal 2013 Close- Final Departmental Close



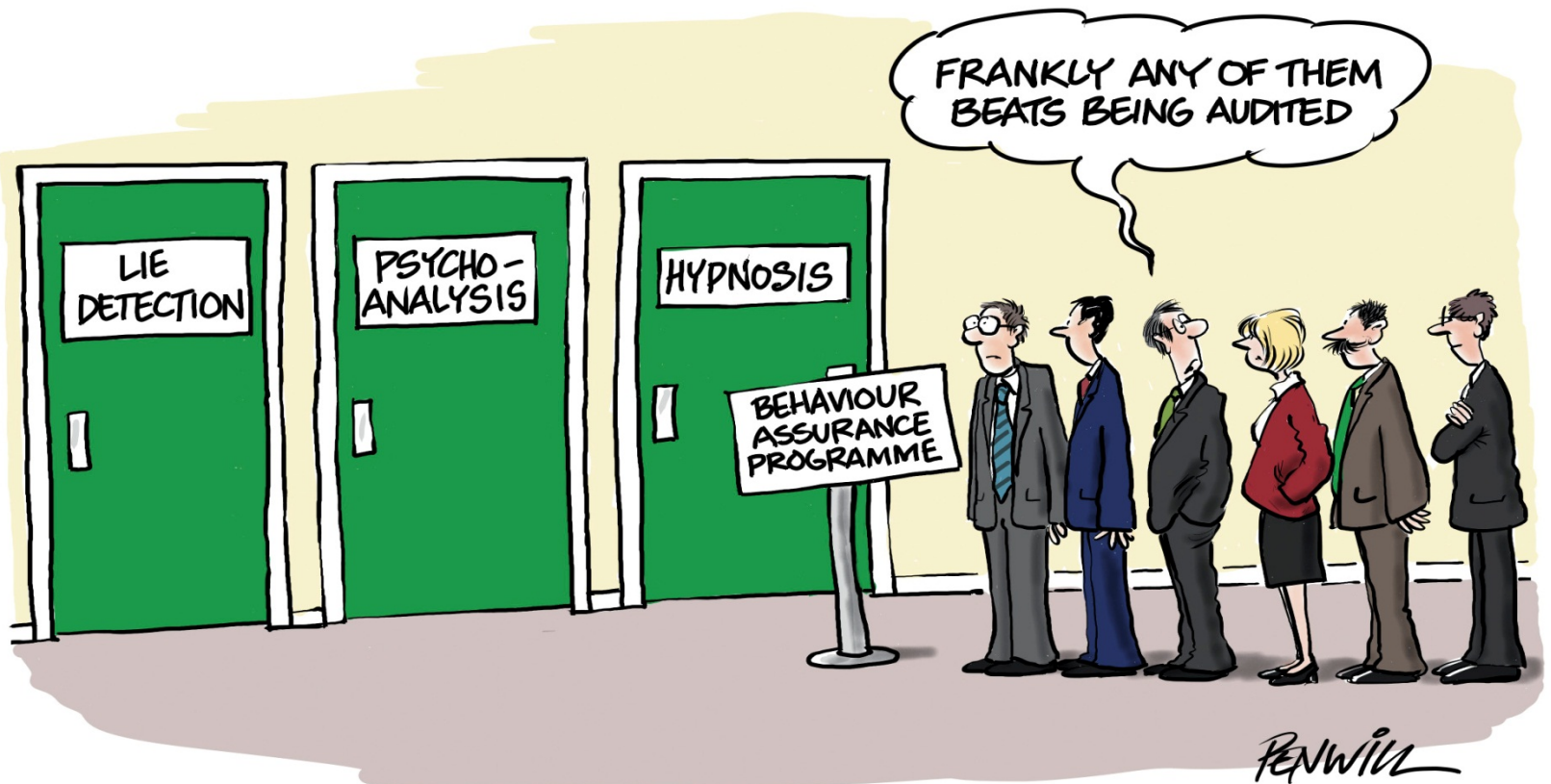
**July 17<sup>th</sup> \* Final Journal entries in FAR by  
5 PM**

**July 18<sup>th</sup> \* FINAL Departmental Close – Final  
reports available after 5 PM**

# What happens after July 18<sup>th</sup>?

- Remaining balances on fiscal year 2013 purchase requisitions roll to fiscal year 2014
- Ongoing review of expense and revenue transactions for classification as **accrual** or **prepaid**
- **THE EXTERNAL AUDIT!!!**
- University Audited Financial Statements presented to the Board of Trustees and issued in October







# **Financial Accounting & Reporting (FAR)**

## **GUIDELINES**

- Fill out the journal entry form completely. If you need assistance, please call Ruth Smith (x 5977), Freddy Acuña (x 5186), Terri Tyson (x 3205), or go to the [Financial Reporting webpage](#) and click on the How To tab for a link to our recent Journal Entry training presentation.
- Include an accurate description (up to 35 characters).
- Attach proper support documentation (i.e., copies of receipts, invoices, Cognos reports, etc.)
- Ensure that you have proper signature authorization before sending the journal entry to FAR.



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"WHAT WAS YOUR ENTRY, 'ROB PETER TO  
PAY PAUL' ALL ABOUT?"

## **Project Summary Requests (PSR)**

For projects being funded from current fiscal year departmental funds, approved PSR's must be submitted to Jessica Gorrell (x 6408) no later than June 14<sup>th</sup>. Forms can be found at:

<http://finance.wfu.edu/faculty-staff/project-management>



## **Fixed Assets**

Support for all additions, disposals, and transfers must be submitted to Kathryn Hackworth (x 4096) no later than July 2<sup>nd</sup>. Forms and policy can be found at:

<http://finance.wfu.edu/faculty-staff/asset-management>



- Any RC or ER funds which are overspent (debit balance) as of June 30 will need to be corrected. Please check your Cognos reports to identify which of your funds are overspent.
- To correct overspent balances, expenses will need to be moved to either:
  - another appropriate restricted fund
  - the department's operating budget

**Please submit journal entries for these corrections by July 11<sup>th</sup> at 5pm.**

# Accounts Receivable (AR and SFS)

## GUIDELINES





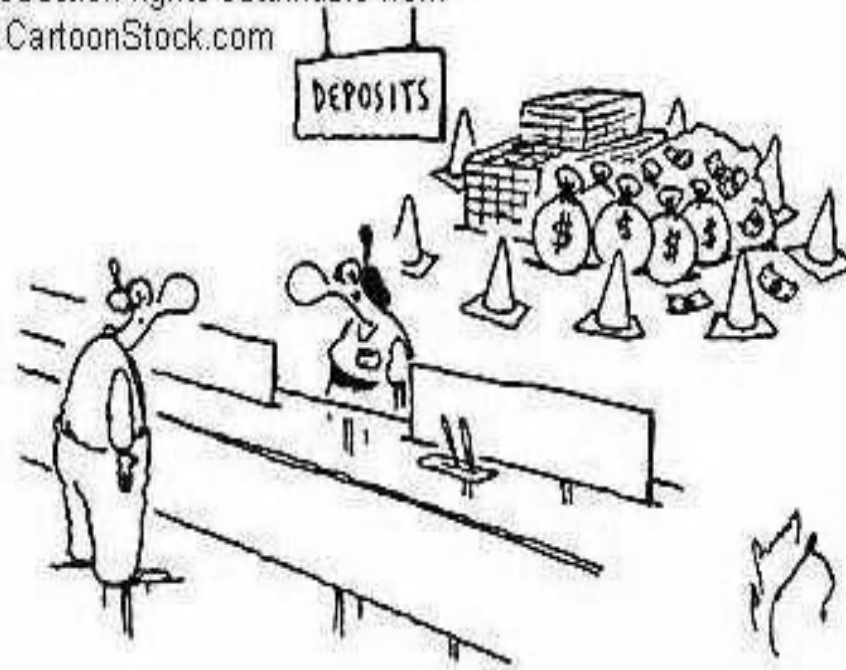
# Cash Receipt Deadline

## Tuesday, July 2<sup>nd</sup> at 4:30 PM

***Reminder: If making a deposit after June 30<sup>th</sup> that relates to fiscal 2013 activities, tell the cashier that the transaction should be posted to fiscal 2013.***



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search ID: sma0082

"A vault? Yes Sir, I'll be sure to pass your suggestion on to management."

## Cash not received by June 30<sup>th</sup>



If a service was performed by June 30<sup>th</sup> and payment has not been received by the cash receipt posting deadline (Tuesday, July 2<sup>nd</sup>), we must evaluate the documentation to determine if we need to accrue (record in a journal entry) the revenue. Please complete and submit the **Deposit Accruals Form** to Karen Brown at [brownkm@wfu.edu](mailto:brownkm@wfu.edu). The form can be found on the [Financial Reporting webpage](#) by clicking on the Forms tab.

***Example: A department receives cash after July 2<sup>nd</sup> for revenue that was earned in fiscal 2013. This item may need to be recorded as a receivable due to WFU in fiscal 2013.***



## Cash received prior to June 30<sup>th</sup> for services not yet performed

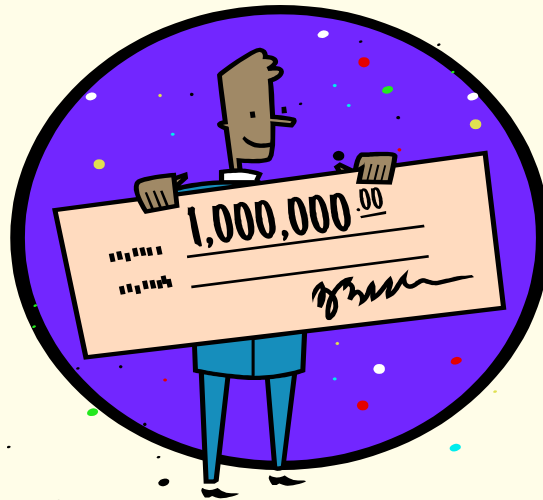
If cash has been received prior to June 30<sup>th</sup> for a service that will not be performed by June 30<sup>th</sup>, we must evaluate the documentation to see if we need to record the payment as deferred revenue. Please complete and submit the **Deposit Revenue form** to Jennifer Killingsworth at [killinjl@wfu.edu](mailto:killinjl@wfu.edu). The form can be found on the [Financial Reporting webpage](#) by clicking on the Forms tab.

***Example: A department receives a deposit in fiscal 2013 for a conference that will be hosted in fiscal 2014. This item may need to be recorded as deferred revenue in fiscal 2013.***



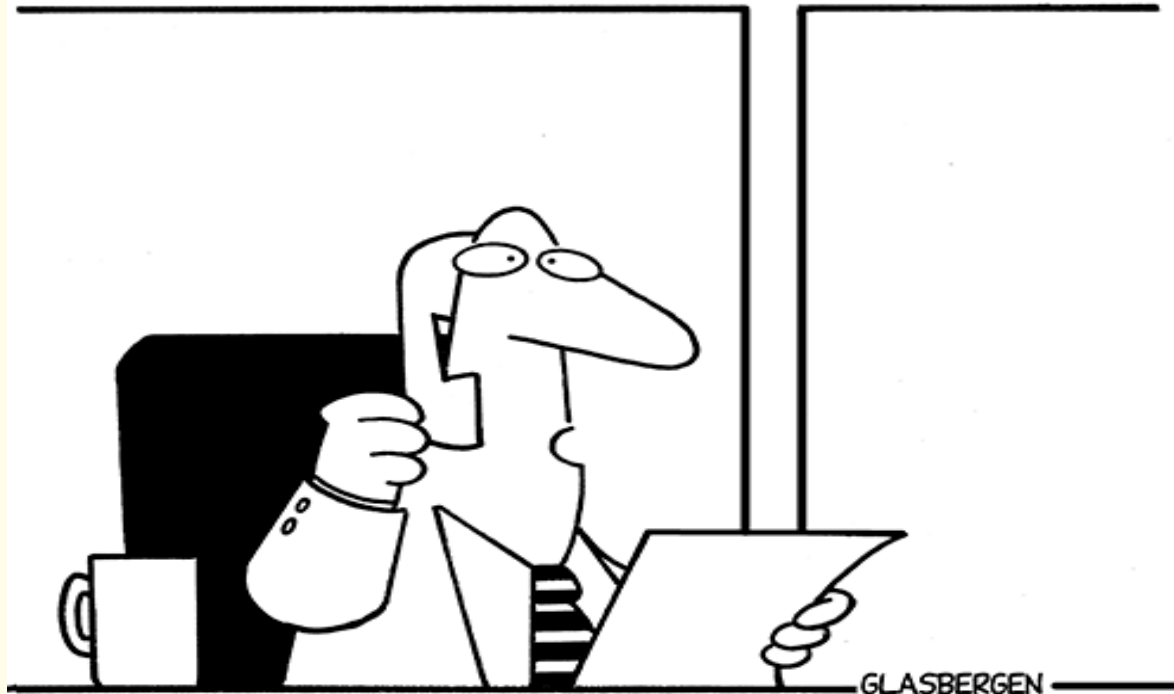
# Payroll

## GUIDELINES





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**“Someone in accounting lost a decimal point. You can remove one from my paycheck to replace it.”**





## First Departmental Close

	Dates Worked	Pay Date
MO06	6/1/13 – 6/30/13	6/28/13
BW13	6/8/13 – 6/21/13	6/28/13
ST 13	6/8/13 – 6/21/13	6/28/13

## Second Departmental Close

	Dates Worked	Pay Date
BW14 (50% Accrued)	6/22/13-7/5/13	07/12/13
ST 14 (50% Accrued)	6/22/13-7/5/13	07/12/13
Accrual for fiscal 2013 Additional Compensation to be paid in July	Fiscal 2013	July
Redistributions/Reallocations **	Fiscal 2013	

*\*\* Wages that need to be moved from one FOAPAL to another are due in Payroll no later than July 9th.*



**Questions??**

**Contact Payroll at x2960  
Or email [payroll@wfu.edu](mailto:payroll@wfu.edu)**

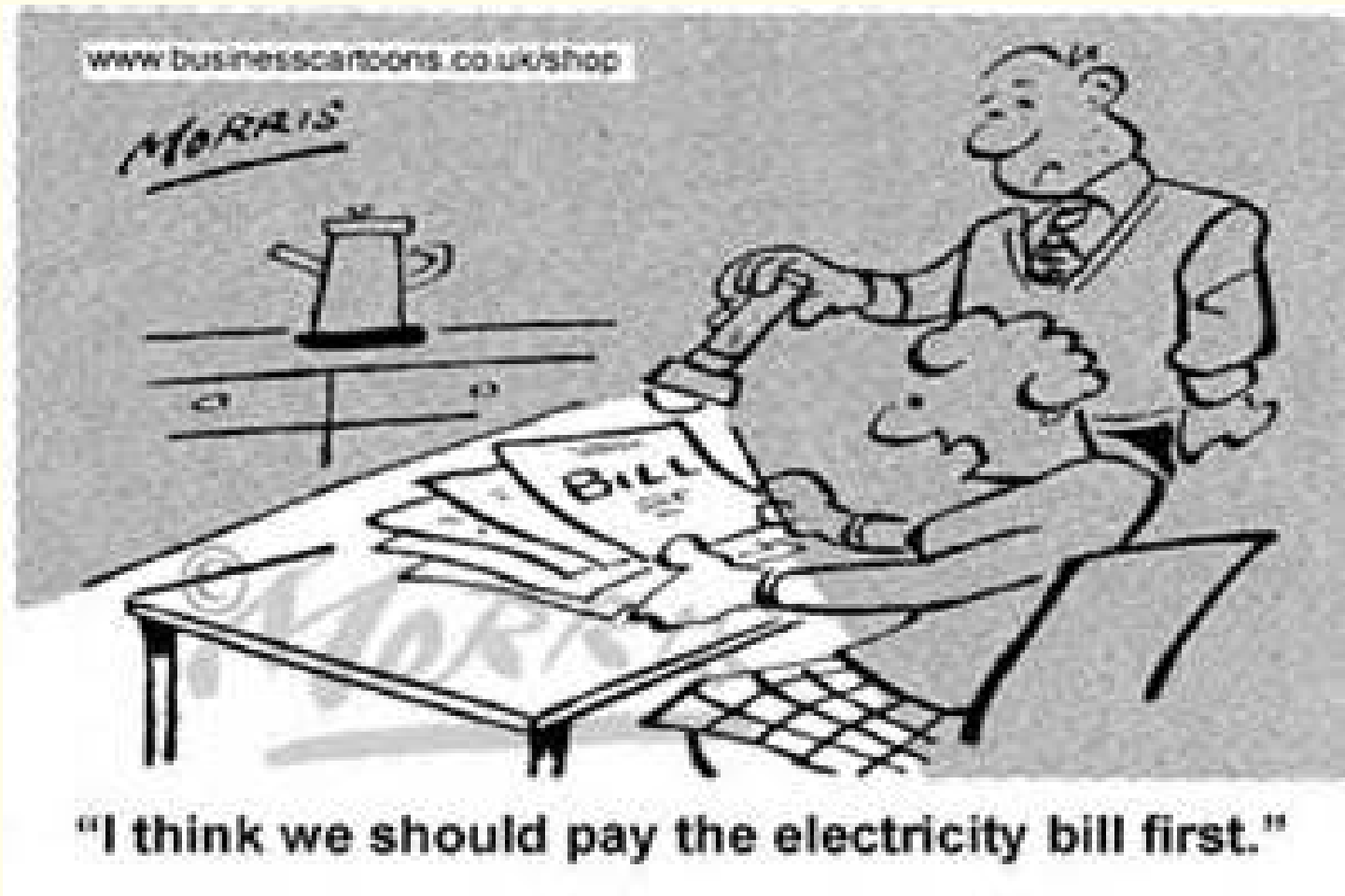
# 2013 Fiscal Year-End Closing Guidelines-Accounts Payable

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Allison Belton  
Director, Accounts Payable



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**The appropriate documentation must be submitted by at least July 11<sup>th</sup> in order to be recorded in fiscal 2013:**

- Invoices
- Travel expense reimbursements
- The July 1<sup>st</sup> Pcard statement (due July 9<sup>th</sup>)
- Documentation to clear advances in fiscal 2013



Travel and Entertainment Voucher and Expenditure Voucher forms can be found at:

<http://finance.wfu.edu/faculty-staff/travel>

## Criteria for processing vouchers in fiscal 2013:

- **The transaction must be properly completed and approved**
- **Goods and services must be received or performed no later than June 30<sup>th</sup>**
  - Freight on Board Shipping Point—WFU takes ownership when the goods are placed on the dock to be shipped at the supplier's warehouse
  - Freight on Board Destination—WFU takes ownership when the goods are received at WFU
- **The vouchers need to be received in AP by either of the two closing deadlines (July 2<sup>nd</sup> and July 11<sup>th</sup>)**



## When do we need to accrue?

1. If a good was received or the service was performed by June 30<sup>th</sup> AND
2. an invoice is not received prior to the close dates.

## Items that may be accrued:

- Employee reimbursements
- Outside service contractor invoices
- Supplier invoices for goods



- **If your department has expenses that need to be accrued, you should submit documentation that provides price (quote), name of the supplier, and items purchased.**
- **The documentation could be in the form of:**
  - Quote
  - Requisition
  - Contract
- **Documentation to support an accrual should be sent to AP prior to noon on **July 16<sup>th</sup>**.**
- **Please do not send documentation for an accrual if:**
  - You have an open purchase requisition in fiscal 2013
  - You receive an invoice prior to the second departmental close



**Prepaid expenses are expenses that cross fiscal years due to the service or coverage period associated with the purchase.**

**Expenses that are usually considered prepaid:**

- Service contracts
- Subscriptions
- Maintenance agreements
- Software license agreements



**If you have an invoice that crosses fiscal years and the total is \$10,000 or more, FAS will review the invoice to see if the appropriate coding is recorded.**

**If there are any changes to the account code, AP will contact you and also give you information on when a journal entry will need to be made to remove the item from the prepaid account.**



## First Departmental Close

**Statement Date**

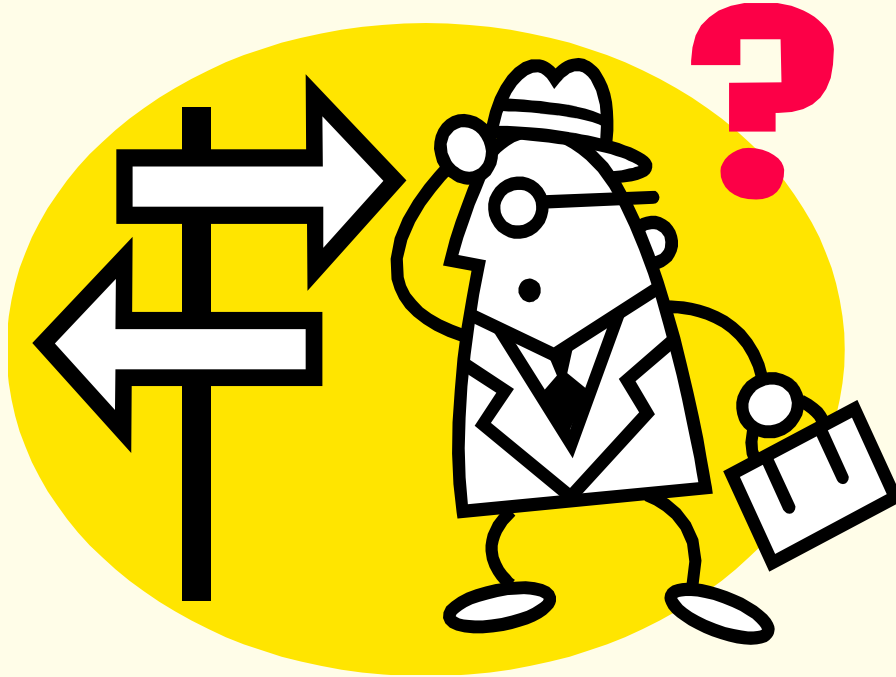
June 3  
(actual expenses)

## Second Departmental Close

**Statement Date**

July 1  
(accrual entry)

Note: Any updates to taxes or account codes could cause a difference between the reversing July entry and the actual July 1<sup>st</sup> entry that will post in July 2013.



**Questions?**

**Contact Accounts Payable at x1981 or x5183  
or email [ap@wfu.edu](mailto:ap@wfu.edu)**

# 2013 Fiscal Year-End Closing Guidelines-Procurement Services

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Michael Logan  
Manager, Strategic Sourcing



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Hello, Procurement? There appears to have been a mix up with my request for a new computer.

## Purchase Order Threshold

- Materials and services greater than \$2,500 must have a University Purchase Order. (see Procurement Policy for exclusions)

## Bid & Quotation Thresholds

- \$5,000-\$10,000 – 2 quotes
- \$10,000-\$75,000 – 3 formal quotes
- >\$75,000 – Request for Proposal (bid)

*Exceptions – Sole source (must be approved) and materials/goods currently under an existing contract.*

***In the spirit of SRI, all purchase requests over \$10k will be closely reviewed for business purpose and may need additional approvals.***

<b>May 3<sup>rd</sup></b>	<b>Deadline to submit vehicle purchasing requests and requests for RFP's</b>
<b>June 7<sup>th</sup></b>	<b>Deadline for requests to set up new suppliers through Procurement</b>
<b>June 24<sup>th</sup></b>	<b>Deadline to submit approved Deacon Depot purchase requisitions</b>
<b>June 30<sup>th</sup></b>	<b>Final day for receipt of goods for fiscal 2013 (NOTE: This is a Sunday so all goods and services really should be received by Friday, June 28<sup>th</sup> unless you are working the weekend!)</b>
<b>July 1<sup>st</sup></b>	<b>P-card statement closing date</b>

- Please print an Encumbrance Detail Report in Cognos.
- Contact Procurement at uBuy (ext 8289) or email [procure@wfu.edu](mailto:procure@wfu.edu) to close or cancel PO's/items to remove encumbrances.

***NOTE:*** *PO's awaiting invoices cannot be closed to remove encumbrances until the invoice is posted.*

**Procurement will also be following up with you on closing PO's starting in mid-June.**





## For statement closing July 1<sup>st</sup>:



- Date range for the statement is June 4-July 1, 2013.
- Transaction **MUST** post in Works on or before July 1. Swiping your card or providing the card number to the merchant does **NOT** guarantee it will post by July 1<sup>st</sup>.
- All updates in Works and supporting documentation must be entered and in Accounts Payable no later than 5 PM July 9<sup>th</sup>.

***NOTE: Changes made in Works after July 9<sup>th</sup> will cause issues with accruals and reversing entries.***

If you will be out of the office during the critical date period, please have someone else designated as a proxy to update Works and submit documentation. ***DO NOT GIVE YOUR USERNAME AND PASSWORD TO SOMEONE ELSE***



**Questions??**

**Contact Procurement Services at uBuy x8289  
Or email [procure@wfu.edu](mailto:procure@wfu.edu)**

**Please visit the Finance Website to find this presentation on Fiscal Year-End as well as the Fiscal Year-End Administrative Procedure:**

**<http://finance.wfu.edu/faculty-staff/financial-reporting>**

**The presentation, procedures, and links to all related forms can be located within the *Faculty and Staff Audience, Financial Reporting Theme*, on the *Tools* tab.**



# Training and Agenda Topics

- Deacon Depot Tips, Tricks, & Feedback
- Budget Development
- University Fringe Rates
- Student Payment Procedures
- Capital Project Procedures
- Risk Services
- Document Imaging/Workflow
- NOVAtime
- Human Resources Updates
- Financial Aid in Higher Education
- Financial Services Website and Resources
- Bringing Foreign Nationals to Wake Forest
- Direct Pays
- Policies & Procedures
- Capital Campaign Update and Gift Processing
- Quick Guides
  - *Business Purpose*
  - *Domestic Travel*
  - *International Travel*
  - *Travel Receipts*
  - *Expenditure Voucher Form*



# Roundtable exercise to solicit training topics for FY14



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## Finance Training Updates



## Deacon Depot

Thursday, May 16 <sup>th</sup>	User Learning Session	2:00p
Wednesday, June 5 <sup>th</sup>	Brown Bag Session: Receiving	12:30p – 1:30p
Thursday, July 17 <sup>th</sup>	Brown Bag Session: Doc Search	11:30p – 12:30p

## Evolution of a Journal Entry

Thursday, May 23 <sup>rd</sup>	3:00 pm
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## University Credit Card Training

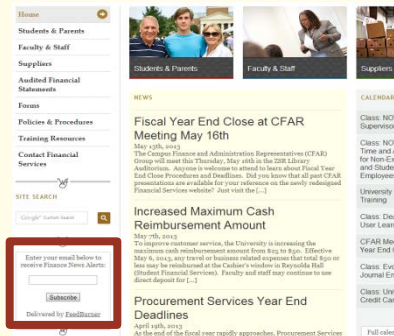
Wednesday, May 29 <sup>th</sup>	9:00 am
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## Deacon Depot Brown Bags:

- You bring lunch - we bring drinks & dessert
- You lead learning with your questions/concerns/scenarios



## Finance Website RSS Feed:

- Stay up-to-date with all Finance news
- Direct to your inbox when news is posted
- No news, no email



Enter your email at [finance.wfu.edu](mailto:finance.wfu.edu)



Type in code & complete subscription request



Respond to verification email to activate subscription



Add [finance@wfu.edu](mailto:finance@wfu.edu) & [noreply+feedproxy@google.com](mailto:noreply+feedproxy@google.com) to safe senders list