

MEMORANDUM

TO: Faculty and Staff

FROM: Joe Cater, Associate Controller
Office of the Controller
caterj@seattleu.edu

SUBJECT: Important Year-End Accounting Deadlines for Accounts Payable and Payroll

Accounts Payable

This memorandum is a reminder about policies and procedures governing accounting for goods and services which are ordered, purchased and/or delivered near the university's fiscal year-end, June 30. At year-end, the goal of the Accounts Payable department is to capture all expenses in the appropriate fiscal year. For example, the costs of goods or services shipped and received in fiscal year 2014 should be expensed in fiscal year 2014. Fiscal year 2014 runs from July 1, 2013 through June 30, 2014. We ask for your cooperation in following these procedures and deadlines in order to appropriately close out the financial activity for fiscal year 2014:

- **July 18, 2014**- Due date for submission of fiscal year 2014 invoices and reimbursements to the Controller's Office
- **July 25, 2014**- Due date for submission of fiscal year 2014 journal entry requests for correction of errors or reclassifications

In accordance with Generally Accepted Accounting Principles (GAAP), expenses are charged to the fiscal year in which the goods and/or services are received regardless of when ordered. For costs of goods or services to be included as an expense in the fiscal year ending June 30, 2014, the following conditions must be met:

- Goods: The goods were shipped or received prior to July 1, 2014.
- Services: The services were rendered prior to July 1, 2014.

If the above conditions are not met, the cost of the items or services will be charged to your fiscal 2015 budget, the next fiscal year. Usually if an invoice is dated prior to July 1, 2014, the expense should be recorded in fiscal year 2014.

FY14 Expense Not Yet Invoiced

For goods that have been delivered or services rendered prior to July 1, 2014 but for which invoices have not been received by **July 18, 2014**, they are still considered as expenses incurred in the current fiscal year. In order to capture fiscal year 2014 purchases where an invoice has not yet been received to your fiscal year 2014 budget, departments need to submit the following documents to the Controller's office by **July 18, 2014**:

1. A memo signed by the Department Head indicating:
 - a. Items or services purchased
 - b. Vendor
 - c. Date ordered
 - d. Cost (including sales tax and shipping)
 - e. Expected date of invoice
2. Copy of original purchase order, if applicable.
3. Evidence of receipt of goods or completion of services prior to July 1, 2014.

Journal entry requests for correction of errors or reclassifications for the current fiscal year-end, must be delivered to the Controller's office by **July 25, 2014**. This lag period allows the departments to review budgets to ensure that all invoices are paid, no errors were made and to submit invoices for payment that arrived after year-end but should be the current year's expenses as outlined above.

For Travel Expenses

The following is a reminder about policies and procedures governing accounting for travel expenses incurred near the university's fiscal year-end, June 30, and for travel that spans more than one fiscal year. In accordance with GAAP, expenses are charged to the fiscal year in which the underlying transaction occurs. For travel related items, this means the university must record travel expenses in the fiscal year in which the travel occurs, regardless of when the travel was booked or paid for.

It is the policy of the university to record the full amount of the expense in the fiscal year in which the majority of the travel occurs. As this topic has been a source of confusion for many faculty and staff, please refer to the examples below for an illustration of this policy.

Example 1:

An airline ticket purchased and paid for in May 2014 for travel that will occur in July 2014 must be recorded as a FY 2015 expense since the travel will occur in the next fiscal year.

Example 2:

An airline ticket is purchased and paid for in May 2014. The trip will begin on June 29, 2014 and will conclude on July 8, 2014. As the majority of the trip takes place in FY 2015, the entire expense will be recorded in FY 2015.

If you have any questions regarding Accounts Payable, please contact Matthew Bird, Accounts Payable Manager, at extension 5882 or birdm@seattleu.edu.

PAYROLL

Faculty and Staff Payroll

Nonexempt employee time sheets need to be submitted to the Payroll Office by **June 16, 2014**.

Leave Reports for exempt employees are due on **June 16, 2014**. This is to ensure the accuracy of vacation account balances at the end of the fiscal year. The month of June is an exception because it is the end of the fiscal year.

For salary expenditures to be included as an expense in the fiscal year ending June 30, 2014, all of the following conditions must be met:

1. The service must be completed before **July 1, 2014**.
2. Letters of Appointment (LOA) for faculty and Letters of Agreement or Supplemental Pay requests for staff must be dated before **July 1, 2014**.
3. The documents outlined in 2 above need to be submitted with proper approval from the department and must be received in the Faculty Services Office or the Human Resources Office (for staff) by the due date of **June 6, 2014**. The faculty or staff identified in these documents will be paid on June 30 if the documents are submitted by June 6, 2014.

Services that have been completed prior to July 1, but for which the respective documents have not been received by **June 6, 2014**, will still be considered as expenditures incurred in the current fiscal year 2014, provided that the Human Resources Office or the Faculty Services Office receive the applicable documents before the July deadline of **July 7, 2014**. Payroll will do journal entries to capture these expenses. The faculty or staff identified in these documents that are received by July 7, 2014 will be paid on July 31, 2014.

Salaries will be considered as fiscal year 2014 expenses for faculty and staff who have completed their contracted service prior to June 30 and who have opted to be paid over 11 or 12 installments (through July and August). There is nothing that departments need to do to make this happen as the payroll office will prepare the journal entries. These expenses will be reflected on the General Ledger for fiscal year 2014.

Student Payroll

Student web time entry for pay period ending June 30 (hours worked between June 16 and June 30) needs to be approved by 11:59 p.m. on **July 2, 2014**. The last fiscal year 2014 payday for students is **July 10, 2014**. Prior pay period adjustments for FY2014 need to be entered through student web time entry system located in the bottom section of the current web time entry.

Journal entry requests for salary adjustments, correction of salary related errors, or reclassification of salary items for the final current fiscal year-end, must be delivered to the Payroll Office by **July 25, 2014**. This lag period allows the departments to review the budgets to ensure that all salaries are paid, no errors were made, and to capture services that arrived after year-end but should be current year's expenditures as outlined above.

If you have any questions regarding payroll, please contact Rita Lin, Payroll Manager, at extension 5887, rlin@seattleu.edu.