

Agenda

- 1. Year-End Contacts
- 2. Year-End Memo
- 3. Year-End Cut-Off Deadlines .
- 4. Year-End Journals
- 5. Variance Analysis Process
- 6. Endowment Matters
- 7. RSF (Research Support Fund)
- 8. Important Tips
- 9. Knowledge Base Reference Articles
- 10. Questions & Comments

McGill

Office of the Controller

Controller Myriam Bensimon 398-5999

Year End Contact Ani Kotchounian 398-8090

Financial Reporting, Endowments, Unrestricted Accounting

Financial Reporting- Ani Kotchounian

Unrestricted Tara Wilkins 398-6117

Financial Reporting- Alan Moskovic 398-1308

Endowments & Restricted

Endowment Administration Rachida Adamou Diawara 398-1427

Unrestricted Accounting Orsola Sasso 398-1513

3 ₩ McGill

Finance Infrastructure and Transaction Services

Director Julie Ghayad 398-2783

Transaction Services

Manager, Transaction Services Tonia Sciannamblo 398-8815

Accounts Payable & Pcard Kimberley-Ann Renaud 398-1065

Banking Services Peter Guertin 398-3353

Accounts Receivable Maria Anania 398-2311

Travel Help Desk <u>traveldeskhelp.acct@mcgill.ca</u>398-3180



Finance Infrastructure and Transaction Services (cont'd)

Director Julie Ghayad 398-2783

Finance Infrastructure

Senior Financial Analyst Quynh-Ly Pham 398-2956

Finance Security <u>fissecurity.acct@mcgill.ca</u> 398-8294

Finance Help Desk <u>fishelp.acct@mcgill.ca</u> 398-3463





Capital Projects

Manager Luana Sorella 398-2261

Research Financial Management Services

Director Elvie Coletta 398-5188

Student Accounts

Director Mary Jo McCullogh 398-2315

Procurement Services feedback.purchasing@mcgill.ca



2. Year-End Memo http://www.mcgill.ca/financialservices/resources/yearend The property of the propert

Mon	Tue	Wed	Thurs	Fri
26	27	28	29	
			5:00pm: Deadline to submit to FS "do-not -	GOOD FRIDAY
			cap" requests for spendable income funds	Statutory Holiday
ASTER MONDAY 2	3	4	5	
atutory Holiday				5:00pm: Expense reports for
				non-FST enabled units
9 00am: PO Crystal reports e-mailed	10 12 midnight: Submit POPS for last Bi-	11	12 5:00pm: Payment requests received by	May 2018 (FY19) OPENS
Joann: PO Crystal reports e-mailed	Weekly Casual payroll		Accounts Payable	IVIAY 2016 (FT15) OPENS
	12 midnight: Submit Bi-Weekly		Accounts rayable	5:00pm: Submit all payroll
	Student Appt Form payroll			journals
10pm:MARCH close	12 midnight: Submit Overtime & Misc			journals
	payment for Bi-Weekly Hourly payroll			
16	17	18	19	
30pm: PO Liquidation request Form for liquidation of	5:00pm: Complete purchases for	4:00pm: Notify FS re: financial	12 midnight: Submit Overtime & Misc pmts	
cumbrances	approval deadline in MOPS	discrepancies	for Bi-Weekly Salaried payroll	
Opm: Expense reports for FST enabled units		_		
23	24	25	26	
:00pm: Submit Finance AR Request for Invoice on WEB	12:00pm: Cash & cheque deposits	2:00pm: Positive approvals returned	12:00pm MMP System unavailable until	2:00pm: Submit AP Feeds
10pm: Notify Procurement Services to cancel PRs & POs	made via Macdonald campus security	to AP for payment	9:00am May 1st	3:00pm: FY18 PRs local
00pm: Submit Finance AR feeds	box	8:00pm: Approval of PCard	3:00pm: Complete & Submit FY18 PRs	approval
10pm: Minerva Award Processing Form for BSA payments	8:00pm: Reconciliation of PCard	transactions using MOPS for	8:00pm: Approval of PCard transactions	5:00pm: Submit Student AR
	transactions using MOPS	Research Grants/Contracts (2F/2M	using MOPS for Non-Research	feeds
		fund types) if Reconciler is not a FST	Grants/Contracts (ALL fund types except	5:00pm: Submit details of
			2F/2M) and for 2F/2M fund types if the Reconciler is a FST	equip. leases
		APRIL/MAY 2018	Reconciler is a F31	
Mon	Tue	Wed	Thurs	Fri
30	1	2	3	
Oam: Chas received by FS for deposit	8:00am: Open online Banner AR		4:00pm: Submit FY18 GL feeds	
:00pm: Central approval of FY18 PR's	forms		_	
00pm: POs issued for all approved FY18 PRs	9:00am: MMP re-opens			
80pm: Complete online Banner AR forms				
00pm: Complete online IDC & Journals				
00pm: Cash/cheque deposits directly at bank				
10pm: Complete budget adjustments				
7	8	9	10	
CUT-OFF FISCAL 2018				5:00pm: Deadline to submit RSF
L 2017-18 Standing Orders with a unit of measure of "YR"				Kar
ll automatically be closed	15	16	17	
14	15	16		
21	22	23	24	
VICTORIA DAY	2 rd CUT-OFF FISCAL 2018			
Statuory Holiday	12:00pm: Delete incomplete IDC's			
Statuory Holiday	and journal entries			
		30	5:00 pm: Variance analysis 31	
28	29	30	3:00 pili: variance analysis 31	
28	29	30	reports due (after payroll accrual)	



3. Year-End Cut-Off Deadlines

1st Cut-Off

On-line submission of journals: Monday, May 7th

Blackout Period

FGAJVCQ, FGAJVCD, & FGAENCB will **NOT** be accessible for processing transactions from: Monday, May 7th 9:00 a.m. to Tuesday, May 8th 9:00 a.m.

2nd Cut-Off...

On-line submission of journals: Tuesday, May 22nd





3. Year-End Cut-Off Deadlines

Final FY18 Close

Scheduled for – Friday, June 1st

Year-End Audit

External auditors on site:

1st week of July



4. Year-End Journals

Accruals:

- Payroll
- Accounts Receivable
- Inventories
- Prepaid Expenses
- Unearned Revenues
- Accounts Payable: NEW process in FY18





4. Recurring Journals

Recurring Journal Definition:

A journal entry that is required every quarter and/or at yearend

Example recurring journals:

- re-allocate certain costs
- charge overhead
- redistribute net surplus/deficits between departments





Payroll - Account 200307
Contact: Ani Kotchounian

Bi-Weekly Payroll: Accruals for FY18

					ACCRUAL
PAY TYPE	PAY REF	START DATE	END DATE	PAY DATE	IN FY18
Salaried	B0-10	April 29	May 12	May 11	10%
Hourly	B2-9	April 08	April 21	May 03	100%
Hourly	B2-10	April 22	May 5	May 17	60%



Payroll – Account 200307

Payroll Accrual

- Last pay period for FY18 paid out in May:
 - Salaried: 1 day accrual in April -> April 30
 - Hourly: 10 days accrual in April -> April 9-13 & April 16-20
 - Salaried casuals: 6 days accrual in April -> April 23-27 & April 30
- Posted after first cut-off in Period 14 with a transaction date of April 30, 2018
- Encumbrance released by the amount of the above accrual, with a transaction date of April 30, 2018
- ME16 journal type to be used
- Reversal of accrual with transaction date of May 1, 2018 (before May closes on June 7th)
 McGill



Payroll – Account 200307

Payroll Accrual - All Fund Types

➤ Do not accrue for Vacation – this is done centrally





Payroll – Account 200307

Retirement

➤ Don't accrue for retirement settlements – this is done centrally

Pay Equity

Accrual and/or adjustments to be done centrally





4. Payroll Adjustments

Contact: HR Service Centre – local 4747 or email pops.hr@mcgill.ca

The deadline for submitting payroll journals is 5:00PM FRIDAY, APRIL 13, 2018. These payroll journals must pertain to salary adjustments already booked in Banner.

PAY FREQUENCY	PAY TYPE	PAY PERIOD ENDING	PAY DATE	SUBMIT BY
Bi-Weekly	Casual	April 7	April 19	Tues. April 10
Bi-Weekly	Student Appt Form	April 7	April 19	Tues. April 10
Bi-Weekly Hourly	Overtime & Misc	April 7	April 19	Tues. April 10
Bi-Weekly Salaried	Overtime & Misc	April 28	April 27	Thurs. April 19
ALL	Payroll Journals			Fri. April 13





Accounts Receivables - Account 100046

Accounts Receivables

Represent amounts due from external parties for goods or services rendered in the current year

However...

> Payment not received as at April 30th





Accounts Receivable - Account 100046

Example:

- Goods are delivered to an external customer in FY18 but cash has not been received
- Consulting work is completed by April 30th but payment not received in FY18

What would be the journal entry to record these transactions?

Dr. A/R (100046)
Cr. Revenue (5xxxxx)





Inventories – Account 100103

- All items held for external resale should be recorded as inventory
- Inventory must be valued at the lower of cost and net realizable value, i.e. what you can sell it for if lower than cost
- Not all Faculties/Units have inventory
- Bookstore, Dentistry, Residences, Faculty Club, Athletics DO hold inventory
- Stationery stock in your department is <u>NOT</u> considered inventory





Inventories – Account 100103

Example:

- Residences goods purchased for the vending machines and cafeterias that are to be sold to students
- Dentistry equipment purchased for students

Journal Entry:

Dr. Inventories 100103
Cr. Purchases at Cost 700570





Prepaid Expenses – Account 100111

Expenses paid in one fiscal year but which specifically relate to the operations of a future fiscal year.

Examples:

- Software license purchased in April 2018 covering the period of May 1, 2018 to April 30, 2019
- Course materials purchased or other fees paid for in April to be used for the Summer or Fall session

Journal Entry:

Dr. Prepaid Expenses 100111
Cr. Expense 7xxxxx





Prepaid Expenses – Account 100111

Example:

In FY18, you have prepaid an expense for the total amount of \$150,000 for rental of the equipment (15 month contract from Feb. 1, 2018 – April 30, 2019). What is the correct entry to be booked in FY18 at Year-End?

Dr. Prepaid Expense (100111) \$120,000 Cr. Expense (7xxxxx) \$120,000





Accounts Payable – Account 200008

Accruals: NEW

Faculties/departments/units are no longer required to book AP accruals.

- Prior to second cutoff:
 - For invoices received in Accounts Payable (AP) with an invoice date of April 30th or prior, regardless of amount, AP will book ALL accruals via a Feed to the respective FOAPAL.
 - For invoices received in AP with an invoice date of May 1st or later, valued at \$25,000 or greater before taxes, AP will review and accrue, if necessary, via a Feed to the respective FOAPAL.

If you are in possession of any invoices for goods and/or services received/rendered on or before April 30, 2018, please forward them no later than June 17th to Accounts Payable via email to accountspayable@mcgill.ca





Unearned Revenue – Account 200086

Cash or revenues collected in advance of the delivery of the good or service

Examples:

- Athletics Annual Membership fee received for calendar year Jan to Dec 2018
- Residences Revenue received for summer rentals

Journal Entry:

Dr. Revenue 5xxxxx
Cr. Unearned Revenue 200086

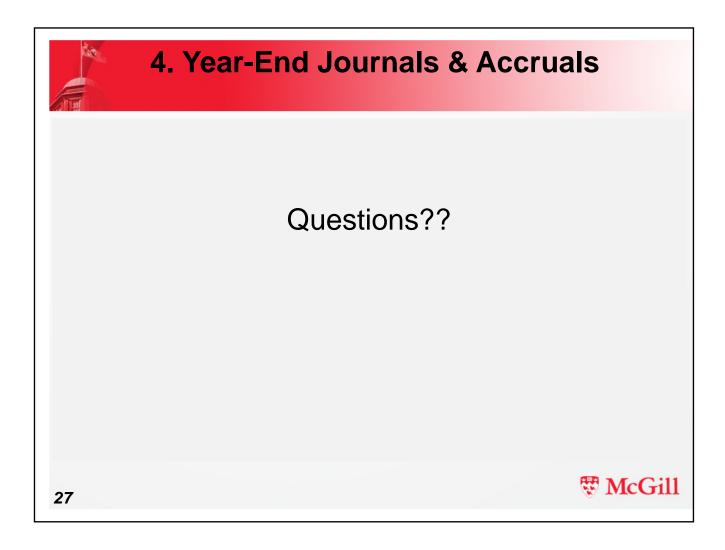




4. ME Journals

- How to access and create an ME journal
- Reference #
- Why create an ME over a JE
- http://kb.mcgill.ca/kb/?ArticleId=3855&source=article&c=12&cid=6#tab:ho meTab:crumb:8:artId:3855:src:article







5. Variance Analysis

- ➤ Fiscal 2018 traditional 12 month fiscal year with quarters ending in July, October, January and April
- Comparatives for FY17 are also twelve months







Examples of Groupings

- Knowledge base link to accessing hierarchy reports http://kb.mcgill.ca/fskb/easylink/article.html?id=4003
- Each line item is driven by account types and account codes
- ➤ In FY18 with the Chart of Accounts Optimization project, some revenue and non-salary account codes have been terminated. This may have an impact on your variance analysis when comparing to prior fiscal year. Please refer to the links below; dedicated section on FS website related to the Chart of Accounts:
 - revenue account codes
 - non salary account codes





Examples of Specifications for P&L Statements

Line-item:	Line-item Specifications:
Sales of Goods & Services	Account type 2 is one of 5C, 5F, 5K, 5M and account code $3 \Leftrightarrow 50010$
Non-Academic Salaries	Account type $1 = 60$ and Account code $1 = 603$ or account code is one of 600096, 600097
Contract Services	Account code 3 = 70034 OR Account code = 770027, 770900





Revenues

5C Sales of Goods & Services:

- 50005 Sales of Goods & Services
- 50006 Rental Revenue
- 50007 Royalties, License Revenue
- 50008 Registration/Membership Fees
- 50010 Contract/Consulting Services Revenue
- 50057 Sponsorship Revenue





Salary Expenses

603 Admin & Support Staff Salaries

- 6005 Admin & Support Staff Salaries
 - 60010 Support Staff Salaries
 - 600018 Managerial Salaries
 - 600020 Technicians
 - 600021 Clerical
 - 600022 Trades & Services
 - 60011 One time & Casual Staff Payments
 - 600023 Overtime
 - 600024 Casual & One time (Trades excl.)
 - 600146 Trades, Casual & One time Payments





Building & Occupancy Costs

Driven by account code hierarchy

- 70002 Repairs/Maintenance
- 70003 Renovation
- 70028 Rental expense
- 70031 Insurance
- 70037 Loans (spec. internal loans)

Includes related internal sales accounts

- 770002 Repairs/Maintenance Internal Sales
- 770026 Rental Expense Internal Sales
- 770054 Insurance Internal Sales
- 770479 Renovations Internal Sales





Other Non-Salary Expense

Detail of major expenses included in "Other Non-Salary Expense" line item:

- Miscellaneous (70006)
- Printing & Stationery (70004)
- Computer Charges (70007)
- Telephone/Equipment (70009)
- Advertising (70023)
- Photocopying (70010)





5. Variance Analysis

Crucial Dates for FY18



- Email request to all FFO's will be sent out on April 16th
- Self-serve process is still in place! You still need to know which reports to use and how to refresh
- Reports are refreshable daily you can start the analysis now!
- All responses are due Thursday May 31st (i.e. this allows for 7 working days after 2nd cut-off)
- Explanations for line-items with variance of:
 - > +/- \$100k





5. Variance Analysis

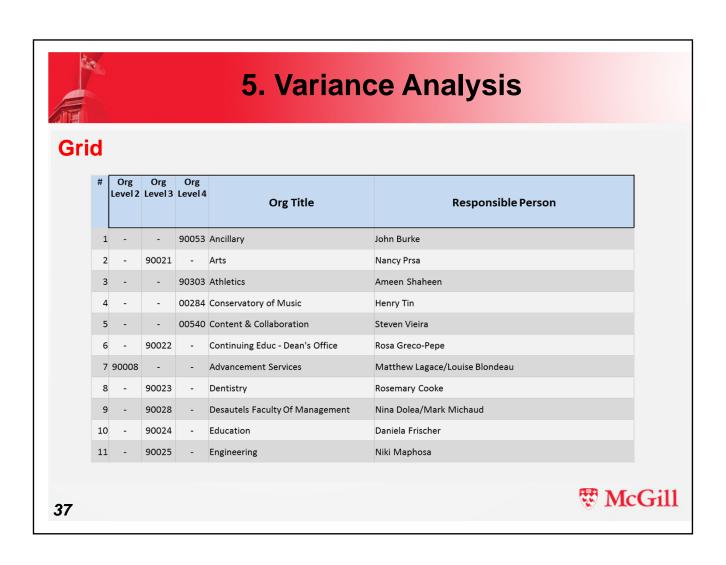
Reports

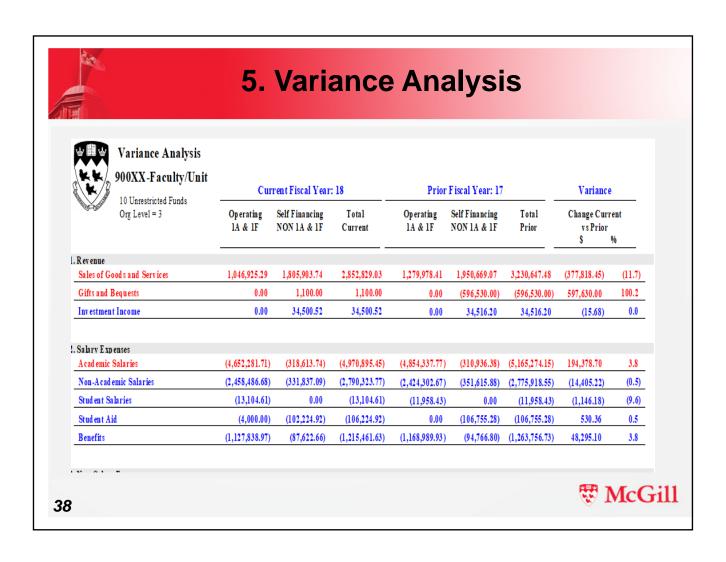
When refreshing, you will be prompted with the following 4 queries:

- Select Current Fiscal Year 18
- Select Prior Fiscal Year 17
- Select Org Code see variance analysis grid
- Select Org Level see variance analysis grid

Link: Variance Analysis Grid









5. Variance Analysis

Important Tips & Reminders

Why do your responses matter?

- The FSA is a 75 page document supporting the audited financial statements produced for Board of Governors (BOG)
- The explanations you provide are verified and substantiated by our external auditors and form an integral part of the FSA which is presented to BOG
- FSA completed for internal review by June 2th, 2018 and 1st week of July 2018 for external auditors



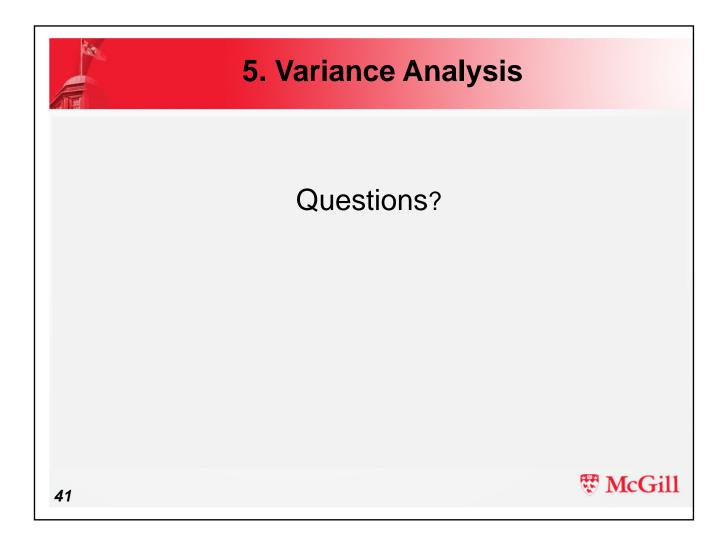


5. Variance Analysis

Important Tips & Reminders

- For more examples of invalid and valid explanations, refer to "variance analysis how to" document on web
- Quick-turnaround required timing is critical
- In your absence, assign a delegate to handle this query and notify us ASAP



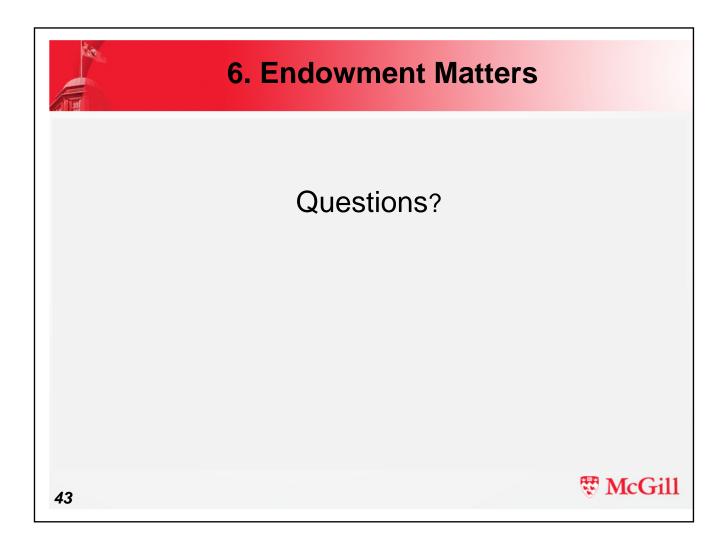




6. Endowment Matters

- Thursday, March 29th, 2018 Deadline to let Endowment Accounting know which spendable income funds you do NOT want to be capped with justification
- Refer to memo circulated March 14, 2018
- Decision to not cap must be made on annual basis
- ➤ MIP rate for FY19 is \$17.25 per unit







7. RSF- Research Support Fund

Research Support Fund Outcomes Report 5 areas of priority to report on:

- Research Facilities
- Research Resources
- Regulatory Requirements & Accreditation
- Intellectual Property
- Management & Administration





7. RSF- Research Support Fund

- Email to be sent out April 9th, 2018
- > Responses due by May 11, 2018





8. Important Tips

- Letters of Guarantee
 - Cleared by 2nd Cut-Off
- Manual Encumbrances http://kb.mcgill.ca/fskb/easylink/article.html?id=4012
- > MMP
- ➤ BAVL NSF Override http://kb.mcgill.ca/fskb/easylink/article.html?id=4029





8. Important Tips

- Accrual Period 14
 - This year, accruals for AP invoices will be done centrally via a feed processed before second cutoff to the respective FOAPAL.
 - A journal initiated in Period 12 must be re-tabbed entirely to post in Period 14.
 - As of May 8th, documents will be posted to period 14.
 Remember to change your local Crystal report templates to reflect period 14.
- Check your approval queues periodically!





8. Important Tips

- Purchase Orders
 - Ensure you review all outstanding purchase orders.
 - If no longer valid, cancel as funds are unnecessarily being encumbered.





9. Knowledge Base

Reference Articles

How to Variance Analysis

http://www.mcgill.ca/financialservices/reporting/yearendvariances

How to process ME15/16 journals #3855

http://kb.mcgill.ca/fskb/easylink/article.html?id=38

General Information on Accrual Journal Entries #3858

http://kb.mcgill.ca/fskb/easylink/article.html?id=3858

Copy and Reversal feature for journals #3959

http://kb.mcgill.ca/fskb/easylink/article.html?id=3959

Liquidating Purchase Orders #7273

http://kb.mcgill.ca/fskb/easylink/article.html?id=7273





Financial Services

QUESTIONS & COMMENTS

For your suggestions:

http://www.mcgill.ca/financialservices/feedback/

