



**FY18 Year-End Reporting and Communication Meeting**

April 6, 2018


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**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



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**1. FY18 Year-End Contacts**

**Office of the Controller**

<b>Controller</b>	<b>Myriam Bensimon</b>	398-5999
<b>Year End Contact</b>	Ani Kotchounian	398-8090
<b>Financial Reporting, Endowments, Unrestricted Accounting</b>		
Financial Reporting- Unrestricted	Ani Kotchounian Tara Wilkins	398-6117
Financial Reporting- Endowments & Restricted	Alan Moskovic	398-1308
Endowment Administration	Rachida Adamou Diawara	398-1427
Unrestricted Accounting	Orsola Sasso	398-1513



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**1. FY18 Year-End Contacts**

**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 [traveldeskhelp.acct@mcgill.ca](mailto:traveldeskhelp.acct@mcgill.ca) 398-3180

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**1. FY18 Year-End Contacts**

**Finance Infrastructure and Transaction Services (cont'd)**  
Director Julie Ghayad 398-2783

**Finance Infrastructure**  
Senior Financial Analyst Quynh-Ly Pham 398-2956  
Finance Security [fisecurity.acct@mcgill.ca](mailto:fisecurity.acct@mcgill.ca) 398-8294  
Finance Help Desk [fishelp.acct@mcgill.ca](mailto:fishelp.acct@mcgill.ca) 398-3463

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**1. FY18 Year-End Contacts**

**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](mailto:feedback_purchasing@mcgill.ca)

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## 2. Year-End Memo

<http://www.mcgill.ca/financialservices/resources/yearend>

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	Mon	Tue	Wed	Thu	Fri
<b>STEEN MCKENZIE Holiday</b>					
	26	27	28	29	30
	3	4	5	6	7
<b>11th NOVEMBER</b>	2	3	4	5	6
Open PO Crystal reports e-mailed	9	10	11	12	13
	14	15	16	17	18
Open PO Liquidation request Form for liquidation of endowments	19	20	21	22	23
Open Expense Reports for FYT enabled units	24	25	26	27	28
Open Submit Finance A/R Request for Invoice on IRIS	29	30	31		
<b>APRIL/MAY 2018</b>					
	30	1	2	3	4
Open Cash received by FS for deposit	5	6	7	8	9
Open Central approval of F152 PPS	10	11	12	13	14
Open POs issued for all approved F152 PPS	15	16	17	18	19
Open Complete online Banner All Names	20	21	22	23	24
Open Complete online ICE & Journals	25	26	27	28	29
Open Cash/Charge monthly checks all bank	30				
Open Complete budget adjustments					
<b>1st CUT-OFF</b>					
	7	8	9	10	11
<b>2017-18 Standing Orders with a unit of measure of "00"</b> automatically be closed	12	13	14	15	16
	17	18	19	20	21
<b>VICTORIA DAY</b>					
	22	23	24	25	26
	27	28	29	30	31

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## 3. Year-End Cut-Off Deadlines

**1st Cut-Off**

On-line submission of journals: Monday, May 7<sup>th</sup>

**Blackout Period**

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

**2nd Cut-Off..**

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

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**3. Year-End Cut-Off Deadlines**

**Final FY18 Close**

- Scheduled for – **Friday, June 1st**

**Year-End Audit**

- External auditors on site:  
**1<sup>st</sup> week of July**

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**4. Year-End Journals**

**Accruals:**

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

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**4. Recurring Journals**

**Recurring Journal Definition:**

- A journal entry that is required every quarter and/or at year-end

Example recurring journals:

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

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**4. Year-End Accruals**

**Payroll - Account 200307**  
 Contact: Ani Kotchounian

**Bi-Weekly Payroll: Accruals for FY18**

PAY TYPE	PAY REF	START DATE	END DATE	PAY DATE	ACCRUAL 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%

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**4. Year-End Accruals**

**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)

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**4. Year-End Accruals**

**Payroll - Account 200307**

**Payroll Accrual - All Fund Types**

- Do not accrue for Vacation - this is done centrally

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**4. Year-End Accruals**


**Payroll – Account 200307**

**Retirement**

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

**Pay Equity**

- Accrual and/or adjustments to be done centrally

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**4. Payroll Adjustments**

**Contact: HR Service Centre – local 4747 or email [pops.hr@mcgill.ca](mailto: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

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**4. Year-End Accruals**


**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

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**4. Year-End Accruals**


**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 (5xxxx)

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**4. Year-End Accruals**

**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 **NOT** considered inventory

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**4. Year-End Accruals**


**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

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**4. Year-End Accruals**

**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

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**4. Year-End Accruals**

**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

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**4. Year-End Accruals**

**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 17<sup>th</sup> to Accounts Payable via email to [accounts payable@mcgill.ca](mailto:accounts payable@mcgill.ca)

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**4. Year-End Accruals**

**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

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**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:homeTab:crumb:8:artId:3855:src:article>

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**4. Year-End Journals & Accruals**

Questions??

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### 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



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### 5. Financial Statement Groupings

**Examples of Groupings**

- Knowledge base link to accessing hierarchy reports  
<http://kb.mcgill.ca/tskb/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](#)

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### 5. Financial Statement Groupings

**Examples of Specifications for P&L Statements**

Line-item:	Line-item Specifications:
Sales of Goods & Services	Account type 2 is one of 5C, 5E, 5K, 5M and account code 3 => 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

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**5. Financial Statement Groupings**

**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

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**5. Financial Statement Groupings**

**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

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**5. Financial Statement Groupings**


**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

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### 5. Financial Statement Groupings

**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)

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### 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

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### 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](#)

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### 5. Variance Analysis

**Grid**

#	Org Level 2	Org Level 3	Org Level 4	Org Title	Responsible Person
1	-	-	90053	Ancillary	John Burke
2	-	90021	-	Arts	Nancy Prsa
3	-	-	90303	Athletics	Ameen Shaheen
4	-	-	00284	Conservatory of Music	Henry Tin
5	-	-	00540	Content & Collaboration	Steven Vieira
6	-	90022	-	Continuing Educ - Dean's Office	Rosa Greco-Pepe
7	90008	-	-	Advancement Services	Matthew Lagace/Louise Blondeau
8	-	90023	-	Dentistry	Rosemary Cooke
9	-	90028	-	Desautels Faculty Of Management	Nina Dolea/Mark Michaud
10	-	90024	-	Education	Daniela Frischer
11	-	90025	-	Engineering	Niki Maphosa

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### 5. Variance Analysis

Variance Analysis 990XX Faculty Unit <small>11 Unrestricted Funds Org Level = 3</small>	Current Fiscal Year: 18			Prior Fiscal Year: 17			Variance	
	Operating 18 & 17	Self Financing SOP 13 & 17	Total Current	Operating 18 & 17	Self Financing SOP 13 & 17	Total Prior	Change +/- Prior	Current % Var
<b>1. Revenue</b>								
Sales of Goods and Services	1,048,025.29	1,005,903.76	2,053,929.05	1,278,979.61	1,006,609.07	2,285,588.68	(231,659.63)	(11.7%)
Gifts and Bequests	0.00	1,100.00	1,100.00	0.00	(916,750.00)	(916,750.00)	917,850.00	100.2%
Investment Income	0.00	34,998.82	34,998.82	0.00	34,538.29	34,538.29	(460.53)	-0.8%
<b>2. Salary Expenses</b>								
Academic Salaries	(6,482,281.70)	(318,635.76)	(6,800,917.46)	(6,884,237.77)	(318,856.36)	(7,203,094.13)	392,176.67	-3.8%
Non-Academic Salaries	(2,488,486.00)	(331,837.00)	(2,820,323.00)	(2,424,242.47)	(312,612.00)	(2,736,854.47)	(86,468.53)	0.9%
Student Salaries	(3,384.81)	0.00	(3,384.81)	(3,388.43)	0.00	(3,388.43)	4.62	-0.0%
Student Aid	(6,000.00)	(82,224.82)	(88,224.82)	0.00	(166,750.29)	(166,750.29)	78,525.47	-8.2%
Benefits	(1,217,938.97)	(87,822.60)	(1,305,761.57)	(1,308,998.93)	(84,764.90)	(1,393,763.83)	88,592.26	-3.8%

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### 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

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**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

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**5. Variance Analysis**

Questions?

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**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

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**6. Endowment Matters**

Questions?

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**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

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**7. RSF- Research Support Fund**

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

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**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>

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**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 8<sup>th</sup>, documents will be posted to period 14. Remember to change your local Crystal report templates to reflect period 14.
- Check your approval queues periodically!

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**8. Important Tips**

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

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 **9. Knowledge Base**

**Reference Articles**


How to Variance Analysis  
> <http://www.mcgill.ca/financialservices/reporting/vearendvariances>

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>

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 **Financial Services**

**QUESTIONS & COMMENTS**

For your suggestions:  
<http://www.mcgill.ca/financialservices/feedback/>

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