

FINANCIAL SERVICES
FY18 Year End Information Session - Questions & Answers

April 6, 2018

Question 1:

Year-End Cut-Off Deadlines (slide 9)

What is a first cut-off and what is a second cut-off? (New Employee - Quantitative Life Sciences)

Answer 1:

A cut-off is an established point in time that establishes a deadline for recording financial transactions. McGill's fiscal yearend is Monday, April 30th. The first cut-off to record transactions for Fiscal 2018 is Monday, May 7th. Following the regular month of April is the accrual period, known as period '14'. This allows certain users as well as Central Finance to prepare closing journal entries, based on April results, and still impact the current fiscal year. Most Faculties, Departments, and units have until the first cut-off to book journals for FY18. The second cut-off is for closing entries, for example yearend accruals overhead recovery.

Question 2:

Year End Accruals – Payroll Adjustments (slide 17)

For salary encumbrances, should the encumbrance be zero at yearend?

Answer 2:

Yes, the year end salary accrual is included within the encumbrance.

Question 3:

Year End Accruals – Prepaid Expenses and Accounts Payable (slides 22 to 24)

Are travel advances part of prepaid expenses?

Answer 3:

No, travel advances are not considered prepaid expenses.

Question 4:

What is the amortization process following the booking of a prepaid expense by accounts payable (AP)?

Answer 4:

The prepaid expense is reversed by AP in May 2018 (Fiscal 2019) for prepaid expenses booked in April (Fiscal 2018).

Question 5:

Does the new AP accrual process apply to payment requests?

Answer 5:

Yes, this will be done centrally by AP.

Question 6:

Pertaining to the closing of standing orders. It is a problem for both McGill and the vendors. It creates a lot of back-and-forth and the vendors don't want to re-issue invoices because of our system limitation.

Answer 6

At April 30th – ALL standing orders will automatically be closed. Invoices with a hand written standing order PO # replacing the closed PO # will be accepted for invoices dated in May or June 2018.

Important Tips (slide #46)**Question 7:**

May I complete standing orders (SO) this year for next fiscal year?

Answer 7:

Yes, you can prepare a SO for next year prior to May 1st 2018, however it must be future dated to May 1, 2018 or later and delivery date cannot extend beyond April 30, 2019. When creating a SO in MMP, ensure to select “YR” as the unit of measure field, to identify it as an SO.

Question 8:

Do standing orders also close on research contracts at April 30th?

Answer 8:

Yes. Refer to Answer 6 and section 3 of the year-end memo.

Question 9:

Will we be receiving a crystal report that summarizes all the outstanding PO's?

Answer 9:

Yes, this report has been sent out on Monday April 9th, 2018 by FIS reports (Anne Brennan).

RSF – Research Support Fund (slide #41):

Question 10:

Are start-up funds also part of Research Support Funds?

Answer 10:

No, RSF pertains to Federal Tri-Agency funds (NSERC, SSREC and CIHR)

Question 11:

Can we report on the number of employees paid by the RSF funds or do I need to include the list of FTE's related to all research funds

Answer 11:

Yes, you may report on the number of employees paid by the RSF funds.