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## CAMPUS CORRESPONDENCE

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**To: Vice Chancellors, Deans, Directors,  
Heads of Budgetary Units and Business Managers**

**Date: May 2, 2008**

**From: Donna K. Torres, CPA  
Associate Vice Chancellor for  
Accounting and Financial Services**

**Subject: Schedule for Closing Accounts for FY 07-08**

The end of the fiscal year is once again quickly approaching and we must settle FY 07-08 financial operations. To comply with State regulations and provide for timely preparation of financial statements, it is necessary to develop a schedule for concluding financial activity for the current fiscal year. The closing of the accounts for the fiscal year, the preparation of financial statements, and the opening of new accounts for the next fiscal year require a considerable amount of time in the business offices.

All purchases against 2007-2008 appropriations must be received by June 30, 2008 in order to be paid from funds budgeted in the current fiscal year. Payments on orders received after June 30, 2008 will be charged to departmental funds budgeted for FY 08-09. All purchases on restricted sources must also be paid for or accrued at fiscal yearend if received by June 30<sup>th</sup>.

Procedures and deadlines pertinent to each of the sections of Accounting Services are detailed in the attachments. Copies should be distributed to all staff having responsibilities related to the University's yearend closing process. In order to more fully explain the changes expected this year, and to provide answers to all questions you and/or your staff may have, the Office of Accounting Services will present its **ANNUAL FISCAL YEAREND SEMINAR** as follows:

**Wednesday, May 14<sup>th</sup>  
Lawton Room (near Tiger Stadium)  
10:00 to 11:00 am**

It is extremely important that all Business Managers and the staff they deem appropriate attend the seminar. Your cooperation in complying with the procedures and deadlines outlined in this memo is essential to a successful yearend closeout.

Donna K. Torres, CPA  
Associate Vice Chancellor for  
Accounting and Financial Services

Attachments

# ACCOUNTS PAYABLE & TRAVEL

217 Thomas Boyd Hall, 578-1550

## Direct Charge Invoices

Direct charge invoices for the current fiscal year should be processed as expenditures against current fiscal year departmental budgets for both unrestricted and restricted accounts. Current fiscal year direct charge invoices that are not paid by the June 30<sup>th</sup> APS check run may be accrued and charged to current fiscal year budgets via departmentally prepared journal vouchers (JVs). In order to ensure timely processing of your department's direct charge expenditures, please route approved direct charge invoices to Accounts Payable (AP) in accordance with the following schedule:

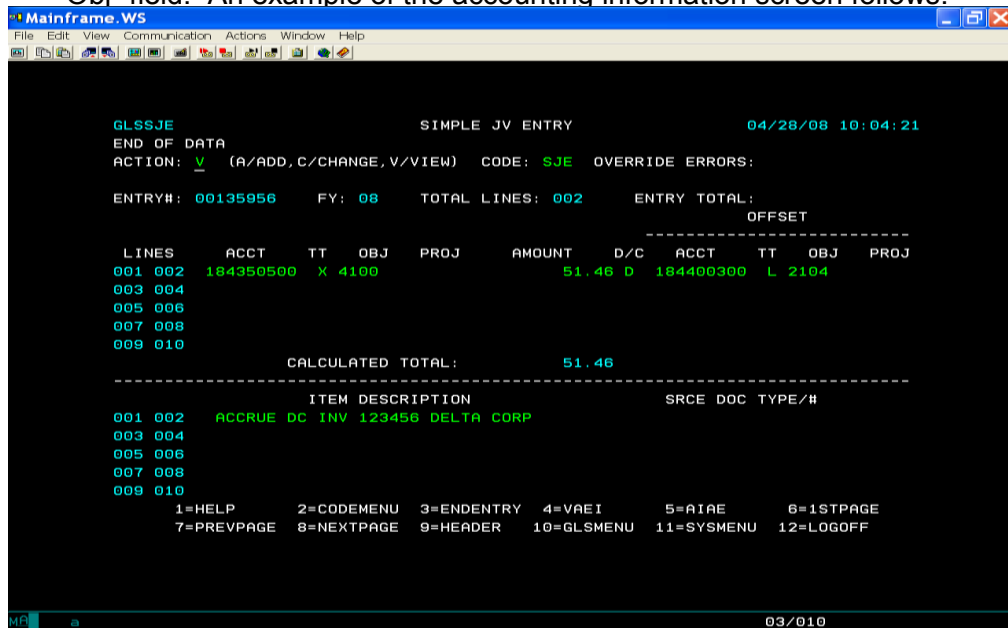
- June 9** Invoices for direct charge purchases received by **June 8<sup>th</sup>** due in AP
- June 16** Invoices for direct charge purchases received between **June 9<sup>th</sup> and June 15<sup>th</sup>** due in AP; LSU Foundation Check Requests due at the LSU Foundation
- June 23** Invoices for direct charge purchases received between **June 16<sup>th</sup> and June 22<sup>nd</sup>** due in AP
- June 25** Last day for direct charge invoices to be forwarded to AP without an accrual JV

### June 26 & After

JVs are due from departments for University direct charge accruals. Please process separate JVs for restricted accruals and unrestricted accruals. An entry to accrue direct charge invoices not paid as of June 30<sup>th</sup> should be made in accordance with the following procedure:

In GLS, create an accrual (**SJ**) journal voucher, entering an effective date of **June 30, 2008**, and a "Y" in the "7/1 Reversal" field. Add the following information on the accounting information screen:

1. Departmental expenditure account, **debit** for the **amount** of the invoice.
2. In the "Offset" section, enter "L" in the "Transaction Type" (TT) field and "2104" in the "Obj" field. An example of the accounting information screen follows:



3. Staple a copy of each direct charge invoice to the JV.
4. Approve the JV and make a copy for department files.
5. Paper clip the original invoices to the JV.
6. Route packet to AP for approval and release in GLS.
7. AP will verify that the original direct charge invoices are attached to the JV accrual received and remove the original invoices and batch them for on-line payment. The JV will be approved and routed to FAR for release in GLS.
8. July ledgers will reflect a debit to the departmental expenditure account as a result of the actual payment of the direct charge invoice in July and a credit to the departmental expenditure account as a result of the automatic reversal (occurring as a result of a "Y" being entered in the "7/1 Reversal" field) of the JV.

**July 8** Last day for direct charge accrual JVs to be sent to AP for FY08

### **Accrual Process in the PRO System**

#### **Unrestricted Purchase Orders**

All purchases and services received against unrestricted purchase orders must be either (1) paid by June 30<sup>th</sup>, or (2) charged to your current budget via a system accrual prepared by the AP Office. Expenditures should be reported in the period in which they are incurred so it is critical to review ledgers to identify expenditures incurred and not paid by the June 30<sup>th</sup> APS check run. For merchandise and services to be charged to the current fiscal year, the merchandise or service must be delivered by June 30<sup>th</sup>. If a vendor cannot firmly promise delivery by the June 30<sup>th</sup> deadline, there is no action required by the department because the purchase order balance will be *carried forward* into the next fiscal year. A PO Alteration must be processed in PRO in order to cancel the balance on the unrestricted encumbrances. The deadline for PO Alterations to be released by the Purchasing Office is **Friday, June 20, 2008**. Unrestricted encumbrance balances after the June 30<sup>th</sup> APS check run and after the accrual JV is prepared will be *carried forward* into the next fiscal year. AP will send a Final 6/30 Aged Listing to the departments on **Thursday, July 3<sup>rd</sup>** for information purposes only. The Aged Listing will not be used to process the accruals. The accrual will be programmatically calculated based upon the merchandise received as of June 30<sup>th</sup> and not paid as of June 30<sup>th</sup>.

#### **Restricted Purchase Orders**

All purchases and services received against restricted purchase orders must be either (1) paid by June 30<sup>th</sup>, or (2) charged to your current budget via a system accrual prepared by the AP Office. GASB 34 and 35 require full accrual accounting effective FYE 06/30/2002. This means that expenditures should be reported in the period in which they are incurred so it is critical to review ledgers to identify expenditures incurred and not paid by the June 30<sup>th</sup> APS check run. For merchandise and services to be charged to the current fiscal year, the merchandise or service must be delivered by June 30<sup>th</sup>. Balances on restricted encumbrances after the June 30<sup>th</sup> APS check run and after the accrual voucher is prepared should reflect items that were not received as of June 30<sup>th</sup>. These balances will be carried forward into FY08. AP will send a Final 6/30 Aged Listing to the departments on **Thursday, July 3<sup>rd</sup>** for informational purposes only. The aged listing will not be used to process the accruals. The accrual will be programmatically calculated based upon the merchandise received as of June 30<sup>th</sup> and not paid as of June 30<sup>th</sup>.

Please create the PRO Electronic Receiving Reports for merchandise received by June 30<sup>th</sup> and verify both restricted and unrestricted encumbrance balances in accordance with the following schedule:

**June 9** PRO Electronic Receiving Reports for merchandise and services received by **June 8<sup>th</sup>** against restricted and unrestricted encumbrances should be processed

- June 16** PRO Electronic Receiving Reports for merchandise and services received by **June 15<sup>th</sup>** against restricted and unrestricted encumbrances should be processed
- June 23** PRO Electronic Receiving Reports for merchandise and services received by **June 22<sup>nd</sup>** against restricted and unrestricted encumbrances should be processed
- July 1 & 2** Last two days to enter PRO Electronic Receiving Reports for merchandise and services received by **June 30<sup>th</sup>** against restricted and unrestricted encumbrances. **In order for the accrual to be calculated, the received date on the PRO Electronic Receiving Report must be June 30, 2008.**
- July 3** PO Accrual entries will be available in GLS for review
- July 8** PO Accrual JV Corrections are due to AP

Balances of unrestricted accruals not paid by the statutory deadline will be refunded to the State and will be charged against next fiscal year's departmental budgets when paid. Accruals on restricted encumbrances will be reversed and re-encumbered in July.

#### **Purchase Order Alterations (PO Alterations)**

- June 20** All PO Alterations to be released by the Purchasing Office on unrestricted and restricted encumbrances. It is critical that PO Alterations be processed as early as possible in order to ensure accurate encumbrance balances on GLS to accommodate invoice payment and expenditure transfers.

#### **Ledger Corrections, Adjustments and Transfers**

- June 11** All JVs for corrections to ledgers and transfers of expenditures appearing on appropriated funds and reflected on departmental ledgers through **May 31<sup>st</sup>** are due in AP.
- June 20** All JVs for corrections to ledgers and transfers of expenditures are due.

#### **LaCarte Procurement Card BFs**

All purchases charged on the university LaCarte procurement card (p-card) that are included on BFs dated prior to June 30<sup>th</sup> should be processed as expenditures against current fiscal year departmental budgets for both unrestricted and restricted accounts.

LaCarte transactions dated in June that are not included on the final June BF will be charged against FY 08-09 budgets unless departments process accrual JVs. Accrual JVs for LaCarte purchases must be prepared on a separate JV (**do not include LaCarte accruals on your direct charge accrual JV**) and **must be supported by an original itemized receipt. Please attach a copy of the accrual JV and receipts as documentation when the transaction appears on a FY09 LaCarte BF entry.**

In GLS, create an accrual JV, entering an effective date of **June 30, 2008** and a "Y" in the "7/1 Reversal" field and follow the same procedure outlined in the direct charge invoice accrual section. **Do not include transactions already reflected on LaCarte BFs dated prior to June 30, 2008 on accrual JVs. Only transactions made on or before June 30, 2008 not reflected on a FY08 LaCarte BF entry should be accrued.**

In an effort to manage the volume of LaCarte BF entries, the following is a proposed schedule for reconciling and releasing to AP (via the on-line P-Card system) the departmental weekly LaCarte BF entries to ensure all purchases made on or before June 30<sup>th</sup> are charged to this current fiscal year:

- June 6** All LaCarte BFs dated through **June 2<sup>nd</sup>** should be released to AP (RAPS status)
- June 13** All LaCarte BFs dated through **June 9<sup>th</sup>** should be released to AP
- June 20** All LaCarte BFs dated through **June 16<sup>th</sup>** should be released to AP
- June 27** All LaCarte BFs dated through **June 23<sup>rd</sup>** should be released to AP
- July 8** All FY08 LaCarte BFs should be released to AP. Also, this is the last day to submit accrual JVs for LaCarte purchases not included on any FY08 LaCarte BF entry. The original itemized receipt should be attached to the accrual JV.

BFs not received in AP according to this schedule will be charged to FY 08-09 departmental budgets.

### Travel Expenditures

Travel advances issued are not charged to departmental budgets until properly supported Travel Expense Reimbursement Requests are filed with Accounting Services. In order to ensure all travel expenses are recorded against current fiscal year budgets, please adhere to the cutoffs identified below:

- June 9** Travel Expense Reimbursement Requests due for all travel completed through **June 8<sup>th</sup>**
- June 16** Travel Expense Reimbursement Requests due for all travel completed between **June 9<sup>th</sup> and June 15<sup>th</sup>**
- June 23** Travel Expense Reimbursement Requests due for all travel completed between **June 16<sup>th</sup> and June 22<sup>nd</sup>**
- June 25** Final day to submit Travel Expense Reimbursement Requests for all travel completed between **June 23<sup>rd</sup> and June 30<sup>th</sup>** without an accrual JV. The Travel staff will prepare an accrual JV for the Travel Expense Reimbursement Requests not audited for reimbursement by June 30<sup>th</sup>.
- June 26 & after** Travel Expense Reimbursement Requests submitted on these days **must** have an accrual JV placed on top of the request. **In order to process the accrual JV, the Travel Expense Reimbursement Request must have the required original AS292 "Request for Authorization to Travel" form or AS516 "Request for Authorization to Reimburse Expenses" form and all original itemized receipts as required by PM-13, University Travel Regulations.**

Travel Expense Reimbursement Requests not submitted in accordance with the above cutoffs will be charged to departmental budgets in the new fiscal year.

### **Travel on Personal, Professional and Consulting Services (PPCS) Contracts**

Personal, Professional and Consulting Services (PPCS) Contracts in PRO require travel to be authorized on the receiving report, but the actual Travel Expense Reimbursement Request must be sent to the Travel Office to be processed.

Travel Expense Reimbursement Requests received in AP on June 26<sup>th</sup> and after require an accrual JV with the effective date of June 30, 2008 and a "Y" in the 7/1 Reversal field. Please follow the same procedure outlined in the direct charge invoice accrual section to complete the accrual JV.

### **Centrally Billed Accounts (CBAs)**

All CBA transactions (airfare and/or conference registration fees) made in June that do not appear on the final June CBA BF entry should be accrued by the department.

In GLS, create an accrual JV, entering an effective date of **June 30, 2008** and a "Y" in the "7/1 Reversal" field. The description line should read: "Accrue Vendor or Merchant CBA 2008". Follow the same procedure outlined in the direct charge invoice accrual section to complete the accrual JV. **Transactions already reflected on FY08 CBA BF entries should not be accrued.**

The appropriate cost documentation that should be attached to the accrual entries is a copy of the AS292 "Request for Authorization to Travel" or AS516 "Request for Authorization to Reimburse Expenses" and the flight itinerary or conference registration form.

Please see the proposed schedule listed under LaCarte BFs for processing all FY08 CBA BF entries to ensure all transactions are charged to the current fiscal year.

**BURSAR OPERATIONS**  
125 Thomas Boyd Hall, 578-3357

**Petty Cash**

Departments must clear petty cash funds of all invoices, receipts, etc., leaving only cash in these funds at the end of the fiscal year. Petty Cash Reimbursement Vouchers must be received no later than **June 30, 2008**.

**Accounts Receivable**

Excluding restricted auxiliaries, departments knowing of amounts due the University as of the end of the fiscal year must record such amounts by submitting a Departmental Transmittal (DT) to Bursar Operations. Receivables should be recorded regardless of the source of the indebtedness (i.e., Federal government, State of Louisiana or its subdivisions, faculty, staff, students, or others). All accounts becoming due during FY 07-08 must be recorded by June 30, 2008. This information must be received by Bursar Operations **no later than 4:00 pm on June 30, 2008**. Restricted auxiliaries will be advised by separate correspondence when to report their accounts receivable.

**Deposits**

The last day for making deposits for FY 07-08 in Bursar Operations will be **Monday, June 30, 2008**.

## FINANCIAL ACCOUNTING & REPORTING

204 Thomas Boyd Hall, 578-3321

### Internal Transactions (ITs)

In order to provide maximum flexibility to all departments for managing their appropriated funds, the following schedule has been established for processing IT billings related to FY 07-08 business:

- June 2** All rendering departments must submit ITs to Financial Accounting & Reporting (FAR) for any services or materials rendered **through May 31, 2008**.
- June 11** ITs for all services or materials rendered from **June 1<sup>st</sup> and June 8<sup>th</sup>** must be received in FAR.
- June 30** ITs for all services and materials rendered **after June 8<sup>th</sup>** must be received in FAR to be processed as FY 07-08 business.

The only exceptions allowed will be for services rendered through June 30<sup>th</sup> (e.g., monthly copy machine charges) or for purchases that actually occur on June 30<sup>th</sup>. ITs for these type exceptions will be accepted by FAR for processing as FY 07-08 business until **12 noon on Tuesday, July 1, 2008**.

All ITs must be properly completed with appropriate documentation attached, including any special approvals that are required. Incomplete ITs received in FAR must be returned to the department for further processing, and this may cause the transactions not to be recorded until next fiscal year. Thus, please ensure that all necessary documentation and approvals are attached.

### LSU Foundation Check Requests

All LSU Foundation check requests for FY 07-08 business must be delivered to the Foundation staff at Lod Cook no later than **Monday, June 16, 2008**. Please attach all appropriate supporting documentation. Without proper documentation, payment of the check request could be delayed until next fiscal year. It is very important that we achieve a proper accounting cutoff for the LSU Foundation. Please call Kate Spikes at 578-4165 or Theresa Russo at 578-5877 with any questions about yearend accounting procedures for the LSU Foundation.

### Multiple June 30<sup>th</sup> Cutoffs & Ledgers

The following dates have been established for the GLS cutoffs and distribution of June 30<sup>th</sup> ledgers:

- June 18** 1<sup>st</sup> 6/30 GLS Cutoff  
**June 19** Distribution of preliminary June ledgers resulting from the 1<sup>st</sup> 6/30 GLS cutoff (June 18<sup>th</sup>)
- July 2** 2<sup>nd</sup> 6/30 GLS Cutoff  
**July 3** Distribution of June ledgers resulting from the 2<sup>nd</sup> 6/30 GLS cutoff (July 2<sup>nd</sup>)
- July 23** FINAL 6/30 GLS Cutoff  
**July 24** FINAL ledgers for the fiscal year ended June 30, 2008 (July 23<sup>rd</sup> Final 6/30 GLS Cutoff)

## **PAYROLL**

204 Thomas Boyd Hall, 578-3321

### **Personnel Actions Forms (PAFs)**

All Personnel Action Forms (PAFs) affecting expenditures in FY 07-08 must be processed through HRM and received by Payroll no later than **June 20, 2008** to ensure that all such charges are recorded in this fiscal year. PAFs received in Payroll after June 20, 2008 will be charged to the 08-09 fiscal year.

### **Wage Payroll**

The last Wage Payroll for FY 2008 will be expended on Vo 125-30 and cover the period **June 7 – 20, 2008**. From the 125-30 voucher, Payroll will accrue the payroll expense through June 30<sup>th</sup> by allocating **60%** of Vo 125-30. The accrual will appear on June ledgers as a Transfer Voucher; on the July ledgers, the accrual will be reversed.

### **Student Payroll**

The payroll expense for **June 14 – 27, 2008** will be paid on Vo 015-17. Since the 015-17 voucher covers time worked in June, this voucher will be charged to the 07-08 fiscal year. From the 015-17 voucher, Payroll will accrue the payroll expense through June 30<sup>th</sup> by allocating **10%** of Vo 015-17. The accrual will appear on June ledgers as a Transfer Voucher; on the July ledgers, the accrual will be reversed.

### **Supplement**

The final Supplemental Payroll for FY 2008 will be distributed on Monday, June 30<sup>th</sup>. Timesheets for the final June supplement are due by **12 noon on Monday, June 23, 2008**.

**SPONSORED PROGRAM ACCOUNTING**  
336 Thomas Boyd Hall, 578-5337

**Billings/Invoices**

Due to agency imposed deadlines, LSU must submit June invoices on state accounts (a "4" in the 6<sup>th</sup> digit of the account number) from **July 1, 2008** through **July 15, 2008**. In order to meet these deadlines, Sponsored Program Accounting (SPA) must bill from the official University ledgers generated from the **2<sup>nd</sup> June cutoff (July 2, 2008)**.

LSU must accrue all salary, vendor and travel expenditures incurred in FY08. Since most state sponsors require an accurate June invoice regardless of expiration date, it is essential that you provide written documentation to your SPA Analyst of any items not reflected on the ledgers distributed on July 3, 2008 including any items requested for accrual.

State tentative projects must be invoiced by the required deadline indicated in the agreement. Ensure that SPA has the fully executed agreement as soon as possible but no later than **June 30, 2008**.

**Ledgers**

Please review your ledgers to ensure **expenditures** are recorded and **encumbrances** are liquidated. If necessary, process PRO Electronic Receiving Reports. Also, hand carry invoices, Travel Expense Reimbursement Requests and check requests to AP. Ensure PAFs for both expenditures chargeable directly to a sponsored agreement or used for cost sharing are processed. **Overdrafts** on sponsored agreements and associated cost sharing and program income accounts must be eliminated. If an account is in an overdraft status, it slows the billing process. However, it is acceptable for some accounts to be in an overdraft status due to extenuating circumstances, such as multi-year agreement, incrementally funded agreement, or a pending request for additional funds.

**Cost Sharing**

You must cost share from like functions. If an individual is cost sharing to a research account (a "1" in the 7<sup>th</sup> digit of the account number), the account from which the individual cost shares must be a research account (a "1" in the 7<sup>th</sup> digit of the account number).

Besides documenting an employee's time and effort, the PAR is the mechanism used to document cost sharing. Ensure that PARs are certified and returned promptly to the SPA Office. Questions can be directed to Laurie Young at 578-1430 or [llamb18@lsu.edu](mailto:llamb18@lsu.edu).

**Cost Transfers**

A fully completed **AS226 form**, **ledger sheet** and **journal voucher with the correct description** must accompany your cost transfer request. **Retroactive PAFs** are considered cost transfers and an AS227 form must be attached to the form providing an explanation of how this cost benefits the project receiving the charge.

Cost transfers must be processed within **90 days** from the end of the month originally recorded. However, May and prior month cost transfers are due in Accounting Services no later than **June 11, 2008**, while June cost transfers are due by **June 20, 2008**. Retroactive PAFs must be received in

Payroll by **June 20, 2008**. Please allow time for routing through all of the necessary University channels.

### **Monitoring/Progress Reports**

Several state agencies require that we attach the monitoring/progress report to our invoices. Please ensure that May 2008 and June 2008 Monitoring/Progress Reports are hand carried to SPA (336 Thomas Boyd Hall) by **June 4, 2008** and **July 3, 2008**, respectively. This is especially critical for LA Department of Natural Resources (DNR) and LA Department of Environmental Quality (DEQ) projects.

### **Agreements Expiring on June 30, 2008**

For sponsored projects expiring on June 30, 2008, the **requisitions** must state that the sponsored agreement expires on June 30, 2008.

As at any other time, **supplies and services** must be received on or before the sponsored agreement expires. In particular, if a sponsored agreement expires on June 30, 2008, the supplies and services must be received by June 30, 2008.