Year End Accounting

Responsible Officer: Vice President for Business Affairs and Controller
Sponsoring Department: Accounting Services
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I. Year End Closeout

The Vice President for Business Affairs and Controller establishes year-end deadlines and will inform Deans, Directors and other Administrators of them each year usually in late July, or early August. The University's fiscal year ends on August 31, and these dates are critical in order to ensure compliance with state law and timely processing of the Annual Financial Report.

A. Normally, departments will ONLY have through the first week of September to process documents relating to the prior fiscal year.

B. The service date fields in *DEFINE are used to determine which fiscal year to record the expenditure and/or income. Accounting Services will run programs in *DEFINE that will move expenditures and/or income to the appropriate fiscal year based on the service dates of the documents.

II. 13th Month

This month will include closing entries created by Accounting Services that move expenditures and/or income to the appropriate fiscal year based on service dates. Closing entries include accruals, prepaids, and deferred revenue.

If activity is recorded on an account in the 13th month, the department will receive two Statements of Account for August: one statement for the month of August and one statement for the 13th month.
III. **Balance Forward**

Accounting Services will run programs in *DEFINE to roll balances forward from the prior fiscal year to the current fiscal year (September). This activity is recorded in the 14th month of the new fiscal year. Not all fund groups are automatically rolled forward. The Vice President for Business Affairs and Controller determines what fund groups will roll forward.

IV. **Last Business Day of the Fiscal Year**

The final check run of the year will be on the last business day in August. It will be an early a.m. check run before the business day begins. NO DOCUMENTS SHOULD BE CREATED IN *DEFINE ON THIS DAY. Any document created on this day will be returned to the creator. The creator will have to re-enter the document in *DEFINE the next business day.

V. **Example of a Typical Year-End Schedule**

**Mid-August**

Appointment documents are due. Budget the next Fiscal Year may be viewed in *DEFINE.

**Last week of August**

Deposits, petty cash, inventory transfers, and vouchers to be included on final check run for the year must be processed

**First/Second September**

The month of August is closed. August statements of accounts are mailed. All documents for prior fiscal year are due and are recorded in the 13th month. Fiscal year is closed. 13th month, statements of accounts are mailed.

VI. **How Documents are Recorded at Year-End**

Documents entered in August, with current fiscal year service dates, will be recorded in August. Documents entered in the first week of September, with current fiscal year service dates, will be recorded in the 13th month.

Documents entered in August, with service dates for the next fiscal year, will be reversed out of the current year in the 13th month. resulting in the expenditure actually being recorded in September.
VII. Definitions

- **Accrual**
  Recording of an expenditure already incurred by receipt of goods or service, but not yet billed by year-end.

- **Prepaid Expenditure**
  Expenditures invoiced and paid in the current fiscal year that relate to the next fiscal year. (Paid in advance)

- **Deferred Revenue**
  Cash payments received in the current fiscal year, but not yet earned by year-end (e.g. student pays fall tuition in August prior to September 1st).

Related Links

- [VP2 Payment Voucher](#)
- [VT5 IDT Original Charges](#)
- [VP5 Travel Voucher Payment](#)