

College of Agriculture and Life Sciences (CALS)

Business Operations

Annual State Fiscal Year Close Out

Standard Operating Procedure



Table of Contents

1. PURPOSE.....	3
2. CBO GUIDELINES	3
3. ASSOCIATED SYSTEMS/FORMS.....	3
4. ROLES AND RESPONSIBILITIES.....	4
5. PROCEDURE	5
5.1. Leading to Fiscal Year Close Out	5
5.2. Executing the Fiscal Year Close Out Process	6
6. REFERENCES	7
7. REVISION LOG	7

CBO-Budget-202 | Annual State Fiscal Year Close Out**Contact:** CALS Business Operations – Director of Budgets and Planning, Sean Munday**Effective Date:** 09/04/2018**Last Revision Date:****1. PURPOSE**

- 1.1. This SOP describes the year-end process by which the CBO and college departments and units work together to ensure that the University's financial systems accurately reflect the college's activity from the fiscal year and that charges on the departmental and college level are allocated appropriately.
1. NC State University is a public institution whose budgeting and financial reporting requirements for state appropriated resources are determined by the State of North Carolina's Office of Management and Budget.
2. Our University adheres to the state's fiscal year calendar (July 1 – June 30) for the accounting of state appropriated resources and the federal fiscal year (October 1 – September 30) for the accounting of federal capacity funding and must follow rules of allowability for all of its sources of funds (state, federal, trust fund, etc.).
3. In order to ensure the timely and accurate recording and reporting of actual state-appropriated financial receipts and expenditures, the University establishes a University State Fiscal Year Close Out Schedule with deadlines for all categories of financial transactions that involve state-appropriated resources.
4. Since CALS provides centralized business operations, the CALS Business Operations (CBO) develops a college-specific fiscal year close out Schedule that ensures timely central processing to meet University fiscal year close out deadlines.

2. CBO GUIDELINES

- 2.1. The CBO establishes the CALS Fiscal Year Close Out Schedule annually within one week of the University's publication of the University Fiscal Year Close Out Schedule.
- 2.2. All CALS employees who are responsible for the management or use of state resources are responsible to be aware of the annual fiscal year close out deadlines and to understand general rules regarding allowability of all sources of funds.
- 2.3. Each department/unit will designate "Business Points of Contact" to serve as primary contacts to work with CALS Budget Office on fiscal year close out activities.

3. ASSOCIATED SYSTEMS/FORMS

- 3.1. Systems

1. PeopleSoft Financials and Human Resources
 2. Wolfpack Reporting System (WRS)
 3. Excel
 4. ServiceNow
- 3.2. Forms
1. [JV Form](#): Used to submit requests to move expenditure between projects
 2. [SDC Form](#): Used to request changes to salary distributions for faculty and staff.
 3. [Allowable Expenditure Chart](#): A tool to help determine which expenses are allowable for each funding source type.

4. ROLES AND RESPONSIBILITIES

Relevant Parties	Roles and Responsibilities
<i>Department/Unit</i>	
Purchaser	Responsible to understand and adhere to the CALS Fiscal Year Close Out Schedule expenditure deadlines.
Project Responsible Person	Each project has a designated responsible person who has primary responsibility to manage the resources within and ensure the appropriate use of those project resources.
Business Points of Contact (POCs)	Responsible for ensuring the appropriate allocation of departmental/unit staff salaries to funding sources and the allowability of expenditures and deposits as reflected in PeopleSoft. Responsible to communicate CALS fiscal year close out requirements and deadlines to department/unit. Responsible to manage any department/unit financial commitments made to faculty and staff as part of year end activities.
<i>CALS Business Operations</i>	
Assistant Dean for Business Operations	Responsible to develop and communicate CALS Fiscal Year End Close Out Schedule.
Budget Consultant	Responsible for working with assigned departments/units to ensure compliance with University guidelines, as well as applying those guidelines to the college level.
Director of Budgets and Planning	Responsible for ensuring that the college complies with all university and federal requirements, while maximizing the utility of all college resources. Responsible to provide financial status reports to the Dean and Directors to inform college-level decision making for a smooth state fiscal year close.
Accounting Services Team (Initiator)	Responsible for ensuring all transaction requests submitted into ServiceNow are entered into the PeopleSoft system. Responsible

	for first level review of transaction appropriateness and allowability.
Accounting Services Team (Approver), PCard Reconciler, Travel Specialist, Accounts Receivable Specialist	Responsible for reviewing PeopleSoft transactions to ensure they are appropriate, allowable, and fall within available budget amounts. Responsible for approving transactions once reviewed.
<i>University</i>	
University Budget Office	Responsible for issuing the annual Year End Procedure Guides. Responsible for ensuring the college follows University guidelines during the state fiscal year close out process.
University Controller's Office	Responsible for issuing the annual University Fiscal Year Close Out Schedule. Responsible to follow deadlines relative to financial transaction processing.

5. PROCEDURE

5.1. Leading to Fiscal Year Close Out

1. Publication of CALS Fiscal Year Close Out Schedule
 - a) Within one week of the University's publication of the University Fiscal Year Close Out Schedule, the CBO will generate the CALS Fiscal Year Close Out Schedule that defines internal business processing deadlines for our college in advance of close out.
 - b) The CBO will publish the CALS Fiscal Year Close Out Schedule to the CBO website and distribute electronic copies broadly across the college.
 - c) Business POCs will ensure faculty and staff are aware of the CALS fiscal year close out deadlines.
2. College and Department/Unit Budget Review
 - a) In early January, the Director of Budgets and Planning will review college-wide financial status with the Dean and Directors to establish financial targets for state fiscal year end and to align spending through the remaining months of the fiscal year.
 - b) Upon the receipt of the CALS Fiscal Year Close Out Schedule, the Budget Consultant will run reports to assess funding availability across the college and work with the relevant parties within departments to ensure state fiscal year close out financial targets are met.
 - c) Then the Budget Consultant will meet with each Department/Unit to review the state of their expenditures and ensure that all funds are being utilized properly.
3. Financial Transaction Processing
 - a) Purchasers continue to purchase in line with existing Spending Guidelines, but with knowledge of college state fiscal year close out deadlines.
 - b) Accounting Services staff process transaction requests accurately and timely relative

to state fiscal year close out deadlines.

5.2. Executing the Fiscal Year Close Out Process

1. Options to Manage the Fiscal Year Close Out Process Options
 - a) The University allows the college to use either a PeopleSoft Query Based or WRS Based methodology to manage the state fiscal year close out process.
2. PeopleSoft Query Based Method of Close Out
 - a) The Budget Consultant and Business POCs will review existing financial data to ensure that all expenditures, revenues, and financial aid have been properly utilized throughout the year.
 - b) The Budget Consultant and Business POCs will audit for unallowable charges across all funding types. For any charges found to be unallowable, the Budget Consultant / Business POCs will submit a Journal Voucher (JV) request through ServiceNow to move the expenditures to the appropriate funding source.
 - c) The Budget Consultant and Business POCs will then review the Trust Fund Cash Balances Report to ensure that the cash balances are positive or equal to zero.
 - d) After the Budget Consultant and Business POCs have checked for unallowable charges and positive trust fund balances, the Budget Consultant will review all college and departmental funding types to ensure all funds were utilized appropriately throughout the year.
 - e) The Budget Consultant will then review the future budgets and salary reserves to guarantee there are no negative amounts.
 - If there are any negative future budgets, a Budget Consultant must submit a JV to correct the negative balance.
 - If there are any negative salary reserves, a Human Resources (HR) salary distribution action must be processed or a continuing (CN24) / future year (FY29) budget revision to fully fund salaries.
 - f) Then the Budget Consultant will review all suspense projects 379911 and any projects with charges to payroll suspense account 51190 and clear all balances to ensure that payroll is distributed properly.
 - g) The Budget Consultant repeats this process multiple times in the days leading up to state fiscal year close out to ensure both departmental and college funds remain in compliance.
3. Wolfpack Reporting System (WRS) Based Method of Close Out
 - a) The Budget Consultant and Business POCs will utilize existing financial data in WRS “P1” and “C3” Reports to ensure that all expenditures, revenues, and financial aid have been properly utilized throughout the year.
 - b) The Budget Consultant and Business POCs will then audit for any unallowable charges across all funding types. For any identified unallowable charges, the Budget

Consultant / Business POCs will submit a JV request through ServiceNow to move the expenditures to the appropriate funding source.

- c) The Budget Consultant and Business POCs will then review the Trust Fund Cash Balances in the WRS “P2” Report to ensure cash balances are positive or equal to zero.
- d) The Budget Consultant will review all college and departmental funding types to ensure all funds were utilized appropriately throughout the year.
- e) The Budget Consultant will then review the future budgets and salary reserves to guarantee there are no negative amounts.
 - If there are any negative future budgets, a Budget Consultant must submit a JV to correct the negative balance.
 - If there are any negative Salary Reserves, an HR salary distribution action must be processed or a continuing (CN24) / future year (FY29) budget revision to fully fund salaries.
- f) The Budget Consultant will access the payroll suspense project 379911 using the WRS “P1” Report and clear all balances to ensure that payroll is distributed properly.
- g) The Budget Consultant repeats this process multiple times in the days leading up to state fiscal year close to ensure both departmental and college funds remain in compliance.

6. REFERENCES

1. Abbreviations and Definitions- <https://cals.ncsu.edu/intranet/cals-business-operations/abbreviations-and-definitions/>
2. Basic Spending Guidelines by Fund Source- <https://controller.ofa.ncsu.edu/files/2018/05/Spending-Guidelines.pdf>
3. State Budget Manual- https://www.osbm.nc.gov/files/pdf_files/BudgetManual.pdf
4. University Year End Procedure Guide (WRS Version)- https://budget.ncsu.edu/budgetoffice/documents/YearEndProcedureGuideWRS_FY18.pdf
5. University Year End Procedure Guide (Query Version)- https://budget.ncsu.edu/budgetoffice/documents/YearEndProcedureGuideQUERY_FY18.pdf
6. CALS Year End Close Schedule- <https://cals.ncsu.edu/intranet/cals-business-operations/documents-forms/>
7. Chart of Expense Accounts- <http://controller.ofb.ncsu.edu/expense-accounts/>

7. REVISION LOG

Date	Version	Nature Of Change	Author
09/04/2018	Draft 1.0	Initial Document	