YEAR END 2018/19
LAUNCHING YEAR END 2018/19

Apollo 11 mission
Launch: **July 16 1969**
Moon landing: **July 20 1969**

50 years ago mankind took a giant leap, now we must take a small step into this year end.
MEET THE TEAM
Complex group
But Little U is the biggest component.
Less of a profit for Group is due to CUEF distribution method
Flight plan

Jun
Year-end seminars for Departments
Interim audit – 2 weeks from 03 Jun

Jul
Finance Committee review accounting policies

Aug
Complete transaction processing
Sub-ledgers closed

Sep
External audit
Auditors on site from 16 Sept

Oct
Wed 30 Oct
Finance Committee - first draft accounts

Nov
Mon 25 Nov
Council - approve and sign

Mon 2 Dec
Send to Office for Students

Accounts prepared
For queries, contact Financial Reporting
PEM audit some group entities
Have lost another day but this won’t happen again unless systematic improvements required
NB VAT date
YE Certificates only due 27, but will endeavour to get out wc 9 Sept
Grants extended close: for year end the grants module will close two days after AP to give time for a final review.

- AP closes 5pm Wednesday 14 August
- Grants module closes 5pm Friday 16 August

Key tasks should be completed before AP closes (checking grants, clearing suspense)
**On Thursday and Friday**
What you can’t do: Amend AP postings to grants
What you can do: Use tools/transfer (on non AP items), Post grant journals
As in previous years
Delayed AR (to sort out current year) and Internal trading (can’t have 2 years open at same time)
Deposit and GL closes are 4 days after roll forward completed
## BUDGET FREEZE

- New procedure due to Chest Allocation changes
- Dates below detail posting of July Chest Allocation into Departments

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual posting of July 2019</td>
<td>Mon 1 July</td>
</tr>
<tr>
<td>2nd posting of July 2019 actuals</td>
<td>Thurs 1 August</td>
</tr>
<tr>
<td>3rd posting of July 2019 actuals</td>
<td>Wed 21 August</td>
</tr>
<tr>
<td>Budget field frozen in CUFS (no further changes)</td>
<td>Fri 23 August</td>
</tr>
<tr>
<td>Final posting of July 2019</td>
<td>Tue 27 August</td>
</tr>
</tbody>
</table>

For queries, contact your Finance Adviser

Arising from Project Pectus – now planning for Chest income
Buzz Aldrin’s actual claim form
SHARED SERVICES

Please submit items for processing in the July period by c.o.b. on Wednesday 7 August (five working days before AP closes).

Please separate batches by financial year (we will prioritise 18/19 invoices).

Make sure you highlight genuinely urgent 19/20 work (eg in the email subject line).

Most departments now use Shared Services to process their AP invoices and expense claims.
Deadline 7 Aug, but allowed to raise Int Inv up until 9 Aug = keep sending in, don’t forget to mark
SS will endeavour to get all 18/19 invoices into July 19
Where possible, hold onto 19/20 invoices until after AP deadline
Reports sent to burst list of AP contacts who received the AP stats and supplier reconciliations
FIXED ASSETS

- Fixed Asset registers to be sent to department contact on **Friday 5 July**
- Confirmation due back by **Friday 9 August**
- You need to:
  - Check all additions and retirements are tracked
  - Check all assets are all tagged
  - And most importantly **physically verify** all assets

For queries, contact Central and Research Accounting
INTERNAL TRADING – RULES

- Raise sales invoices as early as possible
- Send any back up by email
- For any last minute invoices please liaise with the paying department
- Follow procedure where a dispute arises

- Accrue internal income
- Raise sales invoices for goods and services supplied in the new year

For queries, contact Accounting Services

Due to bursting, fewer disputes, faster processing
3 types of journals that will be corrected by Tax team but can be rectified by dept (except Sales tax)

<table>
<thead>
<tr>
<th>Services tax (Reverse charge)</th>
<th>The amount of VAT you would have paid on that service if you had bought it in the UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition tax charge</td>
<td>The amount of VAT you would have paid on the goods had you bought them in the UK (EU purchases only)</td>
</tr>
<tr>
<td>Sales tax adjustments</td>
<td>Occur when a sale has been entered with the wrong tax code</td>
</tr>
</tbody>
</table>
**GL ACCRUALS AND PREPAYMENTS**

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Transaction code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals</td>
<td>Goods/services received by the University prior to 31 July, for which no invoice in AP</td>
<td>VBAK</td>
</tr>
<tr>
<td>Prepayments</td>
<td>Invoice processed in AP in advance of the goods/services being received</td>
<td>UNGA</td>
</tr>
<tr>
<td>Unearned revenue/income</td>
<td>Income received by the University in advance of goods/services being delivered to the customer</td>
<td>VZAA</td>
</tr>
<tr>
<td>Other debtors</td>
<td>Amounts owing for goods/services provided by the University, but not invoiced in AR at 31 July</td>
<td>UNAA</td>
</tr>
</tbody>
</table>

*Detailed supporting working papers must be kept for audit purposes*

Mandatory threshold >£10,000
Accumulative total across dept >£200K = send breakdown details to CRA
Correcting in year posting (No) – in this instance don’t use Transfer Codes – if it is a cost centre or source of fund change use the existing transaction code, best practice would be through Accounts Payable.

Matching Income to expenditure (No) – don’t use transfer codes. Example being charging photocopying income from students to GAAA and matching expenditure on the paper.

Using Trade Surpluses – (Yes) using trading surpluses to fund non trading activities

Research Grant Journals – (No) don’t us transfer codes on Research Journals as these need to cancel out across the University and the Grants journal depending on the expenditure automatically generates the GL entry fro Grants.

Refer Best Practice Guide #3: Transfer Codes (FinDiv > Pol&Proc >Best Prac Guides) https://www.finance.admin.cam.ac.uk/files/bpg_3_transcodes_vs_1.3pub.pdf

Online course: GL3 – Transfer Codes, https://www.training.cam.ac.uk/fin/course/fin-g13
First part is cut off, the engineer came before the 31st July, so costs for this should be included in the current financial year.

Invoice is received after AP is closed and as activity is in 31 July 2019 cost should be recognised (irrespective of invoice date)

If amount is greater than £10K, it must be accrued. In this instance an accrual must be raised if the VAT is irrecoverable.

As department has trading surpluses to use, process the AP invoice against source of fund “AAAA” with the correct transaction code and then use the transfer code principle to transfer expenditure to the trading source of fund.
APOLLO, WE HAVE THE ANSWER

• Step 1: Post Journal for July accrual

• Step 2: Post Journal to utilise trading surplus, into July period NB Must use Transfer code EXXX

• Step 3: Process AP invoice into August period

For queries, contact Central and Research Accounting
Individuals to raise journals, different person to post – Keep backing/workings

Major cleansing exercise undertaken recently but this needs to be done regularly going forward
Useful descriptions can help reduce queries during audits, and when research costs are reported to sponsors. Shared Services working to ensure they are using appropriate descriptions on AP invoices and expenses.

Descriptions such as “per quote 1234” on invoices are not useful once they’re on the Fixed Asset register.

Start with ensuring meaningful description is captured on PO.

Unfortunately, description/text field not mandatory when entering journals, but it must be included. Often left blank.
Services include the supply of anything that isn’t goods
Draft contract for services = key document required (main document HMRC uses to assess the employment status position)
Intermediaries legislation currently only applies to public bodies like the University – from 2020 likely to be extended to private bodies.
This is being monitored by the team
Things are getting more complicated – we’re looking for ways to simplify where we can.

Remember to send any backing for internal invoices to the same email address as the invoices are sent to. This is available on the FinDiv web site.
TRANSACTIONS PENDING TRANSFER (AZZY)

- Transactions that are currently using AZZY are:
  Barclaycard
  Internal Trading
  Research VAT adjustments

Need clearing before either AP closes
OR by General Ledger Journal
Items in dispute can stay on AZZY

BECAUSE:

- As part of the roll forward we are having dedicated reserve codes for the balances that roll across

For queries, contact your Finance Adviser
Depts encouraged to upload plans - speak to FAs for assistance
Cost centre categorisation enables reports to be run for specific groups of cc (e.g. grouped by individual responsible) especially useful if CCs are non sequential
PLAN journals to upload or adjust PLAN budgets can be posted by FM/FAs
Bud to Act report is only really useful if there is a relatively detailed budget uploaded

**COGNOS reports**
3 multi parameter reports have been in use for this financial year - working well
New ability to use the *last month option* as GL month - means can be scheduled
New report Budget to Actual Summary (two tabs BvA and I&E)
*BvA tab* = summary of the annual plan (for reference), then breaks down the Annual Plan into Income, Expenditure and Surplus/Deficit, the same for YTD and Actual figures and then YTD variances
*I&E tab* = shows the same figures but in a different format, i.e. grouped by Income, Expenditure and Surplus/Deficit, each grouping showing Annual, YTD Plan, Actual and Variance
User able to make own output selections: shows different columns in the final report

**Courses**
*Managing the Budget – Part 1*
Introduction to budgeting (no accounting knowledge assumed) and variance analysis
Creating budgets / Introduction to the budgeting processes within the University

*Managing the Budget – Part 2*
Cost centre categorisation / Budget to Actual reports
More detailed variance analysis / Use of PLAN / Budget journals
Segregation of duties newly raised by Int Aud
NB: use online form for expenses (if dept has own form, it must be approved by FinDiv)
MISSION SUPPORT


- Regular bulletins to UFS Key Contacts
- School Finance Managers/Finance Advisers
- UFS module help desks
- Your usual Finance Division contacts
- Research Operations Office
- Regular FUG and RGUG meetings
ANY QUESTIONS?

“We choose to go to the moon...” (JFK, 1962)

“We choose to go through the steps required for a financial year end...not because they are easy, but because we are required to by law.” (SKT, 2019)