

A rectangular area with a blue gradient background, transitioning from a lighter blue at the top to a darker blue at the bottom. Several white diagonal lines cross the rectangle from the bottom-left towards the top-right.

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



# WHY ARE WE HERE?

**Overview of 2017/18 results**

**The impending financial year end**

**Updates and best practice**

**Any questions**

## PREVIOUS MISSION: 2017/18 RESULTS



2017/18 results for Little U and the Group  
*Group includes CUP, Cambridge Assessment, Trusts,  
and other trading subsidiaries*

	Little U	Group
Income	£1,282m	£1,965m
Expenditure	£1,197m	£1,911m
Surplus before other gains/losses	£85m	£54m
Net assets	£4,002m	£5,238m
Gain on investments	£92m	£219m

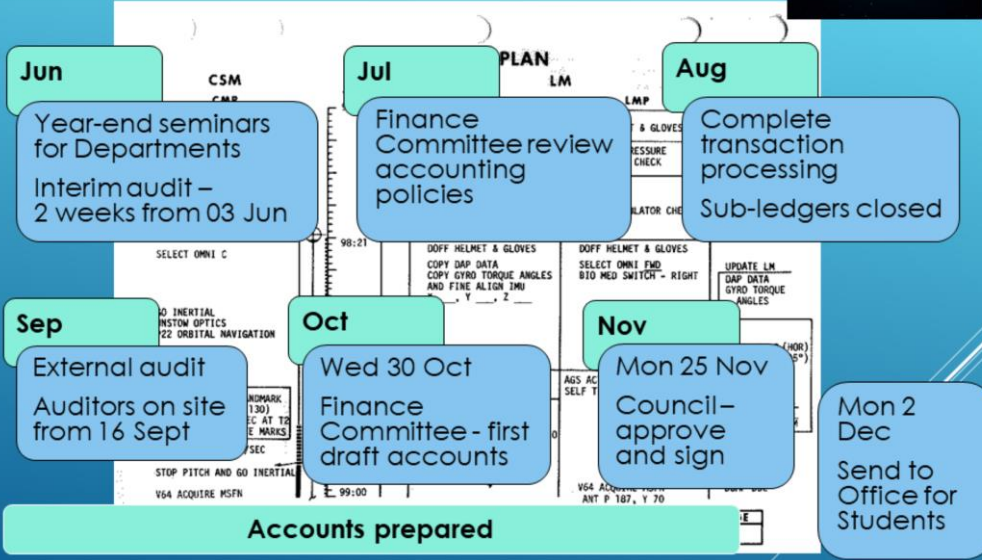
For queries, contact Financial Reporting

Complex group

But Little U is the biggest component.

Less of a profit for Group is due to CUEF distribution method

# Flight plan



For queries, contact Financial Reporting

# EXTERNAL AUDITORS



- Provide an independent audit opinion on the University's accounts
  - True and fair view
  - examine accounting systems
  - test how controls are operating
  - sample transactions
  - ensure funds have been properly applied
- All Group entities are audited
- Department visits: four or five Departments chosen at random
- Year-end audit starts in September



For queries, contact Financial Reporting

PEM audit some group entities

# 2019 KEY DATES



Shared Services submission deadline		Wed 7 Aug
Fixed Asset Returns due		Fri 9 Aug
Close Internal Trading - Raising (AR)		Fri 9 Aug
Close Internal Trading – Processing (AP)		Mon 12 Aug
Close AR and AP		Wed 14 Aug
Close Grants		Fri 16 Aug
Last date for moving funds on/off deposit		Mon 19 Aug
Last date for VAT journals to departments		Tue 27 Aug
General Ledger	- Final date for GL journals	Thu 29 Aug
	- Balances rolled forward (basic/special)	Wed 4/Fri 6 Sep
Year-end certificates due		Fri 27 Sep

For queries, contact Financial Reporting

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



# 2019/20 – DATES FOR THE NEW YEAR

PO / GL / AP / Grants opens	Thu 1 Aug
Accounts Receivable opens	Tue 6 Aug
Internal Trading opens	Thu 15 Aug
PO / AR / AP / Grants Aug-19 closes	Wed 4 Sep
FA Aug-19 closes	Thu 5 Sep
Aug-19 deposit deadline	Thu 12 Sep
GL Aug-19 closes	Fri 13 Sep



For queries, contact Financial Reporting

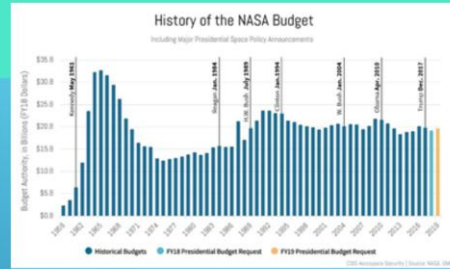
As in previous years

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



Actual posting of July 2019	Mon 1 July
2 <sup>nd</sup> posting of July 2019 actuals	Thurs 1 August
3 <sup>rd</sup> posting of July 2019 actuals	Wed 21 August
Budget field frozen in CUFS (no further changes)	Fri 23 August
Final posting of July 2019	Tue 27 August

For queries, contact your Finance Adviser

Arising from Project Pectus – now planning for Chest income

# SHARED SERVICES

**STANDARD FORM 1013-A**  
TRAVEL VOUCHER

DEPARTMENT, BUREAU, OR ESTABLISHMENT  
**NSA - Hanscom Spacecraft Center**

POSTED NAME  
**Col. Edwin S. Aldrin 00018**

MAILING ADDRESS PLEASE MAKE CHECK PAYABLE TO:  
**Hanscom Bay National Bank  
P.O. Box 50003  
Houston, Texas 77037**

ACCOUNT NO. **01-0346-9**

OFFICIAL DUTY STATION  
**Houston, Texas**

FOR TRAVEL AND OTHER EXPENSES FROM (DATE) **7-7-69** TO (DATE) **7-27-69**

APPLICABLE TRAVEL AUTHORIZATION(S) NO. **X-22002** DATE **6/18/69**

TRANSPORTATION REQUESTS ISSUED

TRANSPORTATION REQUEST NUMBER	AGENCY'S VALIDATION OF TICKET	INITIALS OF TRAVELER	MODE, CLASS OF SERVICE, AND SPECIAL MODIFICATIONS	DATE	POINTS OF TRAVEL
					Houston, Texas
					Cape Kennedy, Fla. Moon Pacific Ocean (USN Hornet) Hawaii
					and return to Houston, Texas

APPROVED (Supervisory and other approval when required)

NET TO TRAVELER **23.31**

AUG 26 1969  
C. W. Bird  
Authorized Certifying Officer

ACCOUNTING CLASSIFICATION  
039-00-00-01-2031-011

**SCHEDULE OF EXPENSES AND AMOUNTS CLAIMED**

PREVIOUS TEMPORARY DUTY (Complete when block only if no travel since immediately prior to period covered by this voucher and if administrative approval is required)

DEPARTURE FROM OFFICIAL STATION (DATE)

TEMPORARY DUTY STATION LAST DAY OF PRECEDING VOUCHER PERIOD (DATE OF ARRIVAL)

DATE	NATURE OF EXPENSE	AUTHORIZED ALLOWANCE RATE	No. of Expenses	No. of Miles	AMOUNT CLAIMED		
					Basic	Subsistence	Other
7-7	LV: Houston	0445	POW	0			
7-7	MT: SAFP	0500					
7-7	LV: SAFP	0530	Gov. Air				
7-7	MT: Cape Kennedy, Fla.	0500					
7-10	LV: Cape Kennedy, Fla.	0833	Gov. Spacecraft				
7-12	MT: Moon	1200					
7-23	LV: Moon	2600	Gov. Spacecraft				
7-24	MT: Pacific Ocean	0500					
7-24	LV: Pacific Ocean	0500	USN Hornet				
7-25	MT: Hawaii	0500					
7-25	LV: Hawaii	1500	USAF Plane				
7-26	MT: SAFP	0100					
7-26	LV: SAFP	0215	Gov. Veh.				
7-27	MT: LUL	0500					

Government meals and quarters furnished for all the above dates.

POW was used for 100 miles official vicinity travel at Cape Kennedy, Fla. **10.00**

POW authorized for official vicinity travel at Cape Kennedy, Fla. for balance of travel car.

Thomas P. Stafford

1 day per G.M.R. 22 **8.00**

12 1/2 days per G.M.R. 22 **11.25**

Good 12.25 for miles (2) **(4.25)**

Grand total to face of voucher (Amount to be carried forward if necessary) **23.31**

\*If per diem allowances for members of employee's immediate family are included, give members' names, their relationship to employee, and age and marital status of children (unless this information is shown on the travel authorization).

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



# SHARED SERVICES

You may receive 18/19 **internal invoices** after 7 August. If so, please send them in as soon as possible and highlight these to Shared Services.

Remember you can **re-code invoices** (including internal invoices) in your department.

Expense claims: Where possible, ask claimants to **use separate claims** for 18/19 expenses and those from 19/20.



For queries, contact Shared Services

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

# GETTING THE YEAR RIGHT

## Cash



The date of receipt

**Not** the year that that income relates to

*Not the date of the PO*

## Income and Expenditure



The date of supply of the goods/services

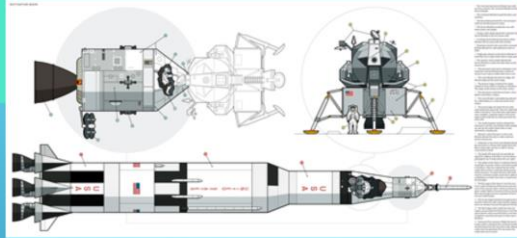
**Daily AP exception reports** will be sent out from 9 August and centrally monitored. Departments may need to provide evidence to the Finance Division that AP invoices are recorded in the right year.

For queries, contact Accounting Services

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



# VAT ADJUSTMENTS



All postings to department accounts in respect of these adjustments will be posted no later than the end of **Tuesday 27 August** (GL closes 29 August)

<b>Services tax (Reverse charge)</b>	The amount of VAT you would have paid on that service if you had bought it in the UK
<b>Acquisition tax charge</b>	The amount of VAT you would have paid on the goods had you bought them in the UK (EU purchases only)
<b>Sales tax adjustments</b>	Occur when a sale has been entered with the wrong tax code

For queries, contact Tax Team ([vatqueries@admin.cam.ac.uk](mailto:vatqueries@admin.cam.ac.uk))

3 types of journals that will be corrected by Tax team but can be rectified by dept (except Sales tax)

# GL ACCRUALS AND PREPAYMENTS

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

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

Mandatory threshold >£10 000

Accumulative total across dept >£200K = send breakdown details to CRA

# OUT OF THIS WORLD



In which scenarios should you use the available transfer codes?

- A. Correcting in-year mispostings ✗
- B. Matching income to expenditure ✗
- C. Using trading surpluses ✓
- D. Research grant journals ✗

For queries, contact Central and Research Accounting

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 use 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 for 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](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-gl3>

# HOUSTON, WE HAVE A PROBLEM

The SpaceX Falcon 9 rocket had an unexplained problem and an engineer came out to fix it on the **28 July 2019**.



The invoice was received by the Department on the **20 August 2019** (dated **15 August 2019**) and cost £9,500 plus VAT.

Unfortunately the Department has spent all its Chest Allocation.

The Department had a very successful conference about the moon landing. This made a surplus of £20,000 which the HoD says can be used to cover the repair costs.

What should the department finance office do?

For queries, contact Central and Research Accounting

First part is cut off, the engineer came before the 31<sup>st</sup> 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

The screenshot shows the SAP Journal Entry form for 'AGDC016071962' dated 14-JUN-2019 15:07:17. The 'Description' is 'Accrual for invoice 123 - SpaceX Falcon 9 rocket'. The 'Ledger' is 'CAPSA Set of Books' and the 'Category' is 'Auto Reversal'. The 'Period' is 'JUL-19' and the 'Effective Date' is '01-JUL-2019'. The 'Conversion' is 'GBP', 'Date' is '01-JUL-2019', and 'Type' is 'User'. The 'Balance Type' is 'Actual'. The 'Control Total' is 'Not Required'. The 'Reverse' section is empty. The 'Lines' table is as follows:

Line	Account	Debit (GBP)	Credit (GBP)	Description
10	U AG AGBE.AAAA.EVEZ.0000	11,400.00		Accrual for invoice 123 - SpaceX Falcon 9 rocket
20	U AG AGBE.0000.VBAK.0000		11,400.00	Accrual for invoice 123 - SpaceX Falcon 9 rocket

- Step 2: Post Journal to utilise trading surplus, into July period NB Must use Transfer code **EZXX**

The screenshot shows the SAP Journal Entry form for 'AGDC016071962' dated 14-JUN-2019 15:17:15. The 'Description' is 'Tr expenditure to utilise trading surplus in AGDC'. The 'Ledger' is 'CAPSA Set of Books' and the 'Category' is 'Adjustment'. The 'Period' is 'JUL-19' and the 'Effective Date' is '01-JUL-2019'. The 'Conversion' is 'GBP', 'Date' is '01-JUL-2019', and 'Type' is 'User'. The 'Balance Type' is 'Actual'. The 'Control Total' is 'Not Required'. The 'Reverse' section is empty. The 'Lines' table is as follows:

Line	Account	Debit (GBP)	Credit (GBP)	Description
10	U AG AGBE.GAAA.EZXX.0000	11,400.00		Tr expenditure to utilise trading surplus - moon landing conf
20	U AG AGBE.AAAA.EZXX.0000		11,400.00	Tr expenditure to utilise trading surplus - moon landing conf

- Step 3: Process AP invoice into August period

For queries, contact Central and Research Accounting

# BEST PRACTICE

Independent approval/review  
of journals



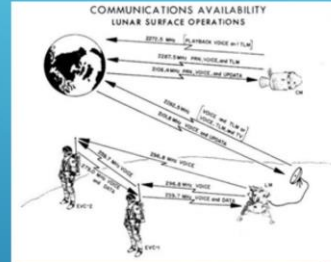
Data cleansing  
cost centres –  
should be a  
regular exercise

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

# MEANINGFUL DESCRIPTIONS

- Auditors continue to raise the issue of **meaningful descriptions** on AP invoice entries, expenses and journals (grants and GL).
- How you can help:
  - Highlight vital elements of the description to Shared Services where practical.
  - Review your assets and amend description within the Fixed Asset Module
  - Journals should have an adequate description
- The **PO** is a good place to focus attention. Ensure these have useful descriptions.



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.

# EMPLOYMENT STATUS (FD3)

- FD3 required? Complete and submit **before** services have been engaged
- Full information should be submitted with the FD3, in particular the **draft contract for services**
- Recommend - read guidance on Finance webpage and FPM



For queries, contact: [fd3@admin.cam.ac.uk](mailto:fd3@admin.cam.ac.uk)

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



## IMPROVEMENTS IN YEAR

- ▶ Bursting of internal invoices by email
- ▶ Barclaycard AP entries now giving more detail
- ▶ TES invoicing – more detail on invoice means no longer needs backup sent separately
- ▶ P60s now issued via employee self service



*Improvements often come from discussions at FUG and with department contacts.*

Please engage with **ourcambridge** programme to help shape and drive future improvements

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



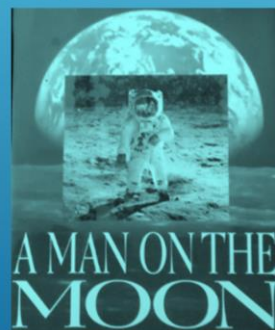
BECAUSE:

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

For queries, contact your Finance Adviser

# BUDGET MANAGEMENT

- More budgeting functionality direct in CUF5
  - Cost centre categorisation
  - Uploading PLANS for Chest and Non-Chest
  - Budget journals can be uploaded by FM/FAs
  - Combined, these make a useful budget-monitoring tool
- New Cognos report
- Managing the budget courses



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

# INTERNAL AUDIT



- ▶ Limit the provision of credit by insisting on payment in advance or deposits
- ▶ Independent review of credit card reconciliation
- ▶ Retain all contracts securely
- ▶ Segregation of duties in purchasing (ordering, receipting and invoice approval)
- ▶ Ensure purchase orders are approved before instructing suppliers
- ▶ Review HR reports for accuracy of staff payments
- ▶ Use the online form for expenses. Any other forms must have advance approval from FD.

For queries, contact your Finance Adviser

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



<http://www.finance.admin.cam.ac.uk/policy-and-procedures/financial-procedures>

- 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)

