

DEPARTMENTAL YEAR END MANUAL
Year end July 2019



Finance Division

23-38 Hythe Bridge Street
OX1 2ET Oxford

<https://finance.web.ox.ac.uk/accounting>

Contents

1	Cover	
	Letter.....	2
2	Timetable of Department Actions and Key Dates	6
3	Planning, Preparation and Year End Forms	8
3.1	Pre-Year End Activity.....	8
3.2	Sales	9
3.3	Cash.....	10
3.4	Purchasing and Payments	11
3.5	Payroll	15
3.6	Inventory	15
3.7	Projects	16
3.8	General Ledger	18
4	Other Year End Work	19
4.1	Internal Trading.....	19
4.2	Reserves.....	19
4.3	Deferred Donations.....	19
5	Key Contacts.....	20
6	Year End Forms.....	21

University of Oxford

Finance Division, 23-38 Hythe Bridge Street, Oxford OX1 2ET



From the Director of Technical Accounting & Reporting

Date 6 June 2019

To Departmental Administrators
Departmental Finance Officers

cc Divisional Financial Controllers
Financial Reporting Team

Dear colleague,

Welcome to the Departmental Year End Manual for 2019. The purpose of this booklet is to give an overview of the plan for the 2018/19 financial year end audit and the part departments play in that audit. This manual is for the year end process only; separate PDF "Accounting Guidance Notes", contain assistance on particular issues. These should be used as an ongoing source of information on accounting matters and are available online on the Finance Division website at <https://finance.web.ox.ac.uk/financial-accounting-guidance>

Timetable

The 2018/19 accounts timetable for the University of Oxford is very similar to the 2017/18 timetable which was successfully achieved by departments.

A summary timetable of the major dates for departments is shown below. A more detailed timetable is shown in section 2 of this manual.

Interim audit	Complete
Year end	Wed 31 Jul
General Ledger (GL) closed to departments	Wed 21 Aug
Departmental adjustments finished, e.g. trusts - GL closed	Wed 4 Sep
Final audit starts	Mon 16 Sep
Departmental Self Assurance sign-off	Mon 30 Sep
Departmental Checklist	Mon 30 Sep
Audit and Scrutiny Committee approval of accounts	Fri 8Nov
Finance Committee approval of accounts	Thurs 14 Nov
Council sign-off of accounts	Mon 2 Dec

Approach

All year end instructions are included in this manual with comprehensive guidance and detailed timetables. The booklet is set out in six sections:

1. cover letter
2. an overall timetable for departmental actions and other key dates for the audit
3. planning, preparation and year end forms – including all the year end work which departments need to complete for a successful audit, consisting of pre-year end preparation, cut off, year end forms and supporting documentation
4. other year end work required
5. web link to key contacts
6. web links to year end forms.

This manual will be supported by a series of year end briefing sessions, which will include time for questions and answers. These sessions will take place from end June to early July; dates and locations will be included in the monthly Finance Bulletin as well as the fortnightly Financial System Support Update. If necessary, the Financial Reporting team will also visit departments on an *ad hoc* basis to provide further assistance.

There are no significant changes in our approach or accounting policies for the 2018/19 year end except that General Ledger accruals, prepayments, deferred income and income in advance will be posted by Departments. Year end forms will still be needed for Projects accruals and prepayments.

The Self Assurance exercise for Departments will take place as in 2018/19. The questions are currently being reviewed following feedback from last year and a series of departmental and divisional visits. The aims of this exercise are unchanged, SharePoint will again be used to gather the information. Further information about the Self Assurance exercise for 2018/19 will be included in the year end briefing sessions and further guidance will be made available nearer the time.

As in previous years, a weekly Year End Update email will be sent to all Finance Administrators and Finance Officers reminding them of key tasks to complete in the week ahead and other relevant points. These will start in mid-July.

Briefing Sessions

A series of briefing sessions will be held from late-June 2019. The sessions will concentrate on:

- the audit timetable
- cut off
- the completion of year end forms
- areas which need improvement for 2018/19
- working with KPMG
- minor changes compared to prior years
- Departmental tax issues update
- Self-Assurance exercise

The sessions will take about 1 hour and 15 minutes and will include a section on Self-Assurance and on departmental tax issues. Year-end can be a complex process for new employees to the University, so the Financial Reporting team will also carry out 2 longer sessions for new staff which will cover the whole end-to-end process in more detail. Both types of session will cover key points for the year end work and will provide the opportunity for departmental staff to ask questions.

The briefing sessions will not address specific accounting issues which may have been highlighted in the past. Those accounting issues along with guidance can be found in the accompanying “Accounting Guidance Notes” (<https://finance.web.ox.ac.uk/financial-accounting-guidance>).

Financial Year 2018/19 – Outline Timetable

Section 2 of this booklet includes a timetable showing the key dates that impact departments. The column headed ‘Completed’ can be used as a checklist to note progress. The final closure dates for the various modules are included. **If there are any changes to dates they will be communicated in the weekly email from the Financial Reporting team.** Particular dates I would like to draw to your attention are:

- **Accounts Payable (AP) will close at 9:00am on Thursday 1 August 2019** - please note there are dates in the timetable showing deadlines for action which may be before the closing deadline, depending on whether your invoices are processed in the department or the central Payments team
- **Accounts Receivable (AR) will close to input at 5pm on Friday 2 August 2019**
- **The Projects module will close at 3pm on Tuesday 6 August 2019** - all project suspense accounts should be cleared and all transfers from departmental accounts actioned by this date. Note that there will be no Projects Module access to users from 3pm to the end of the day as year-end processes are run.
- **The GL will close to departments at 5pm on Wednesday 21 August 2019** - this is the final date for departmental input
- **The final closure of the GL on Wednesday 4 September 2019** - the statutory accounts will be prepared on the basis of the trial balance as at 4 September 2019 and after that date any changes should be audit adjustments only.

Between 21 August and 4 September is an **interim period** when only the Financial Reporting team can make entries to the GL for departmental accounts. Any adjustments in the interim period must be requested by the department to the Financial Reporting team by email at yearend19@admin.ox.ac.uk. Between 21 August and 4 September, the Financial Reporting team will be making their adjustments to the accounts to comply with the Statement of Recommended Practice: Accounting for further and higher education (SORP) and statutory requirements. These adjustments will include, among others, final income adjustments for research and final trust income postings. Departments will be informed of any changes and the intention is that there are no departmental changes after 4 September.

Audit

The audit is in two stages. The two-week interim audit took place in April and looked at planning, controls, fixed assets, HR Joiners and leavers and new research awards. The interim audit went well with the auditors finding no issues of concern.

The main audit will start on Monday 16 September and will last until the beginning of November. The auditors have a right to enquire into any transaction. We will have agreed a list of reports and analyses to be delivered to them but they may be in contact to discuss any issue. Where a report or analysis needs to come from your team, we will give you as much notice as possible before the auditors arrive. If in doubt about any audit requests, please phone Ben Heath on (6)16084 or Alan Glaum on (6)16006.

Materiality

For the statutory accounts, the University's materiality level is more than £2m. We recognise that for departments it will be much less than this amount and will vary depending on the size of the department. In general, we advise a level of no less than £5,000; however, you can make accruals and adjustments down to a level of £100. During the period between 22nd August and 4th September, no adjustments for less than £5,000 will be made.

Pre-Year End Activity

We recommend that you use the May or June month end as a trial for the July close as this will give you an early opportunity to identify issues that need to be resolved. This should include:

- reviewing deferred donations and ensuring that all is how you expect it to be and that you have used the correct Source of Funds (SoF) code or project code
- reviewing trust expenditure and ensuring that you have used the correct SoF code for all your departmental expenditure
- running open PO reports to see if any POs should be closed
- reviewing your external trading accounts and ensuring that overheads and attributable costs have been calculated correctly.

Please note also the specific actions below scheduled for June:

- the external trading (form YE08) will be based on the 10 months to 31 May 2019 in order to allow more time to process the returned forms before the actual year end. The schedules will be sent to departments by Wednesday 12 June and should be returned to the Financial Reporting team by Wednesday 26 June. If necessary, please contact the External Trading team (see key contacts list on page 21) for help in completing this form;
- project pre-award accounts should be reviewed and departments should have transferred all expenditure items to any relevant projects set up on the system at that time. Departments should have contacted Research Services regarding any projects which still need to be set up, by 28 June. The Research Accounts team and Research Services will ensure that they eliminate any backlog in setting up new awards. If an RPF1 form has not been issued by 19 July and the research that will be funded has a start date in advance of the year end, details should be sent to yearend19@admin.ox.ac.uk. Further details can be found in section 7.5;
- a preliminary review of all POs more than one year old should be done during the month of June and any that are more than one year old should be reviewed to see if they should be cancelled or closed; and
- all invoices on hold or unaccounted should be reviewed to see whether it is correct that they are still on hold.

Finally, July activities include:

- final review of all POs more than six months old - blanket POs should also be reviewed and renewed or closed as appropriate.
- review of PO receipts to ensure Goods Receipt Notes (GRNs) have been raised
- review of all expenditure that has matching income (trusts, deferred donations, research) to ensure the correct SoF codes are used

- review of Courtesy accounts to ensure they are still appropriate and that debit balances are collectible or written off.

If you have any questions on any part of this manual, please contact the relevant parties using the key contacts list on the Finance Division website at <https://finance.web.ox.ac.uk/financial-reporting-contact>. I hope you find this information helpful.

Ben Heath

Director of Technical Accounting & Reporting

Telephone: 01865 (6) 16084 Email: ben.heath@admin.ox.ac.uk

TIMETABLE OF DEPARTMENT ACTIONS AND KEY DATES

DEPARTMENT ACTION	MODULE/ PROCESS	DEADLINE	COMPLETED
Complete and return external trading form	Form YE08	26 June	
Review all POs older than six months to see whether they are still required	Purchasing	28 June	
Final date for submission of casual payroll forms for July	Payroll	5 July	
Approve all payroll instructions, new starters, changes to pay and leavers on Core	Payroll	10 July	
Submit currency cheques and cash to Cashiers office for processing in 2018/2019	Cash	16 July	
Cash and cheque receipts forwarded to the Cashiers Office for 2018/19 processing	Cash	18 July	
Cash and cheque receipts forwarded to the Cashiers Office for 2018/19 processing	Cash	18 July	
Submit foreign currency documents including expense claims/payment request forms to the Payments team for payment in July	AP	12am 18 July	
Submission of Barclaycard forms to AP for processing in 2018/19	AP	19 July	
Submit petty cash reimbursement claims to the Cashiers Office	Petty Cash	5pm – 19 July	
Submit sterling documents including expense claims/payment request forms to the Payments team for payment in July	AP	5pm – 23 July	
Review and clear all invoices on hold	AP	23 July	
Final foreign currency payment run for July	AP	23 July	
Payroll posted to General Ledger & Projects	Payroll	25 July	
Payroll posted to General Ledger & Projects	Payroll	25 July	
For AP central processing, last date for AP to guarantee processing of invoices and expenses in 2018/19	AP	26 July	
Last day for On Line Store transactions for posting into 2018/19	Cash	28 July	
Last day for Card terminal and PDQ machine for posting into 2018/19 (On line transactions except On Line Store)	Cash	28 July	
Final sterling payment run for July to ensure payment in July	AP	29 July	
Ensure GRNs raised for all goods/services delivered against Oracle Financials POs (including partial delivery)	Purchasing	31 July	
Final review of all POs to check they are still required	Purchasing	31 July	
Review all blanket POs and renew or close as necessary	Purchasing	31 July	
All unaccounted invoices must be accounted for and posted to GL	AP	31 July	
Buying departments: ensure that any goods supplied by another University department are properly receipted in Oracle Financials	Internal Trade – AP	31 July	
Buying departments: ensure that invoice holds are cleared	Internal Trade – AP	31 July	
Last day for input in Oracle Financials Purchasing module – all GRNs entered	Purchasing	31 July	
Final day for processing AP invoices	AP	31 July	
Complete any stock takes	Inventory	31 July	
AP closed for July	AP	9 a.m. – 1 August	Central Finance task

DEPARTMENT ACTION	MODULE/ PROCESS	DEADLINE	COMPLETED
Sterling payment run to credit supplier bank accounts on 6 Aug 2019	AP	2 August	
Oracle Financials-calculated accruals for GRNs matched against POs and for which invoice has not been received are posted to departmental accounts/projects by the Financial Reporting team.	GL & Projects	2 August	Central Finance task
Last day for input in Oracle Financials AR	AR	5pm – 2 August	
Complete research projects coding corrections	Projects	3 pm 6 August	
Charge to research projects any expenditure coded against Projects suspense code	GL & Projects	3pm 6 August	
Projects module closes on Oracle Financials	Projects	3pm 6 August	Central Finance task
Pre-award balances sent to departments	Projects	6 August	Central Finance task
Interim donation income posting for expenditure coded to date	GL	7 August	Central Finance task
Review Courtesy accounts	GL	7 August	
Pre-award form (YE11) completed and submitted	Form YE11	9 August	
Departmental Equipment Listing (DEL) sent to departments	Fixed assets	12 August	Central Finance task
Year End Projects forms to be completed and submitted (YE05 and YE07)	Forms to be completed	14 August	
Initial departmental posting of GL accruals, prepayments, deferred income and income in advance posted	GL	15 August	
Year End Projects forms processed by the Financial Reporting team	GL	15 August	Central Finance task
Departmental Equipment Listing (DEL) sent by departments to Central Finance	Fixed assets	16 August	
Review GL reports for department and complete final journals	GL	21 August	
Oracle Financials GL for July closes to departments	GL	5pm 21 August	
Central adjustments of departmental accounts completed so departments can run their final figures subject to audit	GL	4 September	Central Finance task
Start review departmental reserve balances	Reserves	11 September	
Year end audit begins		16 September	
Submit final reserve figures to Finance including analysis of reserves by category	Reserves	25 September	
Complete departmental sign-off forms	Form YE01	30 September	
Self Assurance due		30 September	

3. PLANNING, PREPARATION AND YEAR END FORMS



1.1 Pre-Year End Activity

The year-end accounts preparation should in theory be no different from any other month end process. However, we recognise that at year end we tend to be more thorough with these processes as there is no “next month” to fix any errors. In order to make the year end go as smoothly as possible it is important to get the preparations in place early. This means, wherever possible, reconciling accounts and having back-up schedules for the end of June finished in July. With these balances clean, the rollover to the end of July will be easier.

As with the previous financial year end arrangements, the key objective is to ensure that all material transactions relating to the 2018/19 financial year are properly recorded. The main areas of year end work cut off are therefore centred on:

Area	Section
Sales	2
Cash	3
Purchasing and Payments	4
Payroll	5
Inventory	6
Projects Module	7
General Ledger	8
Other year end work	9 -13

There are Year End forms to use where cut off has not been completely and successfully met for Projects module only. These forms are referred to where appropriate, with instructions for completion. However, the more work that is done to ensure correct cut-off through normal procedures, the less work is needed to be processed via the year end forms.

In addition to cut off it is important that the correct activity and SoF codes are used for transactions. This is especially true for both internal (section 9) and external trading (section 2), Projects module work and expenditure under trusts and donations. Finally, Inventory will need to be counted and evaluated at year end (section 6)

The majority of expenditure accruals will be made during the usual month end process for outstanding POs. This will reduce the need to submit accrual requests in early August for 2018/19 payments.

Also, debtors will be largely identified from the Oracle Financials AR module rather than submitted manually.

Therefore, most modules will simply close at the end of July or early August, and be re-opened as Period 1 in 2019/20.

The Projects module to close **Tuesday 6 August (15:00)** and GL (to close **Wednesday 21 August**) will be kept open slightly longer than a normal month end to allow correcting adjustments to be made. The Projects module will then be reopened on 16 August in an ‘Adjustment’ period, for the posting of projects accruals and the posting of related income. GL also has an Adjustment period, which the Finance Division will use to make corporate amendments and, if necessary, to record accruals that cannot be picked up automatically by Oracle Financials.

One of the key responsibilities for departmental staff will be to ensure they process transactions into the correct accounting period, e.g. GRNs and journals dated on or before Wednesday 31 July into the July 2019 period and from Thursday 1 August into the August 2019 period. **It is essential that departmental staff check period dates carefully, particularly during August when more than one period will be open on most modules for at least a few days.**

The following sections give more details about what is required from departments, explaining some of the critical tasks that need to be carried out. Departmental action numbers are shown in italics for cross-referencing purposes.

To help you out with your Year End work there is form YE01, which is a checklist for all the necessary work to be completed. This completed form should also be send to the Financial Reporting team no later than **Monday 30 September 2019**.

2 Sales

2.1 Sales Invoices Raised by Departments

Cut off for the sales cycle means that invoices are raised in the period in which the sales of goods and services have been provided. In addition, any recharges between departments should be accounted for before the GL closes on Wednesday 21 August. There are two scenarios where a year end adjustment may be necessary to achieve correct cut off.

- a. The AR module will close at **5pm on Friday 2 August**. By this date, departments must have raised invoices on Oracle Financials for all goods and services supplied before the financial year end. It is not possible to close the module whilst people are using it so please make sure you complete all your July transactions by Friday **2 August**. A departmental accrual posting to account 19151 should be made to show any invoices or claims which, exceptionally, a department has not had time to process (see 2.5). Also see Appendix 1 on Departmental GL Accruals accounting.
- b. Sales made through the online shop or a local card terminal take three days to come through on the bank statements. This means those sales up to and including Sunday 28 July will be recorded under the ordinary procedures. Any sales for the period Monday 29 to Wednesday 31 July onwards need to be accrued for by departmental GL posting if material. The transactions for these days can be found by interrogating the online shop in the usual way.
- c. Some invoices may have been raised before Wednesday 31 July for sales which relate to 2019/20. In these cases, departments should post the income in advance to natural account 26900 (see Appendix 1).

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
<i>2.1.1</i>	Complete and return external trading form to Finance (YE08)	2.4	Wednesday 26 June
<i>2.1.2</i>	Raise sales invoices for goods/services supplied before 31 July	-	Friday 2 August
<i>2.1.3</i>	Review all sales invoices to ensure properly completed	-	Friday 2 August
<i>2.1.4</i>	Post any deferred income or income in advance to General Ledger	2.5	Thursday 15 August

2.2 Credit Notes

Departments should ensure that all relevant credit notes are raised by **Friday 2 August**. Credit notes raised on 1 or 2 August will need the accounting and transaction date changing to 31 July 2019 to be included in the 2018/19 year. To help processing, any backlog should be cleared in June/July. Any credit notes required after 31 July should be included on account 19151 as a **negative** invoice.

2.3 Refunds Due

Refunds due need to be requested by departments to the Credit Control (AR) team by **Tuesday 17 July**. Any received after that date will be processed in 2018/19.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
2.3.1	Check that the line status has moved to 'closed' for all fulfilled sales order transactions	-	Tuesday 17 July

2.4 Non Primary Purpose Sales (Activity 25 Sales)

For tax reasons, non-primary purpose (NPP) sales need to be identified and separated from the activities of the University. This is done centrally based on the coding of invoices during the year. In preparation for the audit it is important that we analyse the results for each department with external NPP sales; this is done through the completion of YE08. Because so much work needs to be done in this area, we analyse results up to the end of May 2019 and compare them to the same period in 2018 and to 30 July 2018 year end. The form will be sent to departments on **Wednesday 12 June**, pre-populated with figures for 2017/18 and 2018/19; the form must be returned to the External Trading team by **Wednesday 26 June** (see 2.7).

2.5 Form YE08 – External Trading

Instructions for completion:

- all cells for Department name code, etc. must be completed;
- enter date form is submitted;
- identify if this is a NIL return (dropdown list)
 - if it is a NIL return, nothing further to add and the form can be submitted
 - if not a NIL return, comment on the variances calculated from 2017/18 -2018/19
- complete the narrative for other information.

3 Cash

3.1 Cash Receipts

Departments should forward cash receipts to the Cashiers Office for processing as soon as possible. For year end, this is especially important and departments should ensure that all Sterling cash/cheques are forwarded to the Cashiers Office by 5pm on Wednesday 18 July if they are to be included in 2018/19 accounts. Please ensure you stay up to date with your banking in the run up to year end rather than storing up receipts to be forwarded at the year end.

For card terminals and PDQ machines, it takes a full 3 working days for processing by the banks and posting into Accounts. Amounts processed between 29 July and 31 July by card terminals and PDQ machines can be accrued if they are material to natural account 19151. For the online store this is 3

days so amounts processed between 27 July and 31 July can be accrued if they are for income to account 19151

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
3.1.1	Forward Currency cheques to the Cashiers Office for processing in 2018/19	-	Friday 19 July
3.1.2	Forward Sterling cheques to the Cashiers Office for processing		Monday 22 July
3.1.3	Final cash collection for inclusion in 2018/2019		Thursday 25 July
3.1.4	Final day for Card Terminal and PDQ receipts to be processed for inclusion in 2018/19	-	Sunday 28 July
3.1.5	Final day for on-line store transactions to be included in 2018/19	-	Sunday 28 July

3.2 Petty Cash

Departments should ensure that all petty cash claims are with the Cashiers Office by **5pm on Friday 19 July**. Cash will be despatched in accordance with the normal rota.

Petty cash transactions between 25 and 31 July are not likely to be material in value to the Year End accounts. These will therefore be accounted for when your float is next reimbursed.

Any petty cash expenditure coded against departments' projects suspense codes should be recharged to the relevant research project by **3pm on Tuesday 6 August**. All petty cash transactions should be cleared from account 61115.

The Cashiers Office will send out a form directly to departments which hold petty cash to be completed by **Friday 9 August** and signed by the Head of Department. There is no other year end form to complete.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
3.2.1	Submit final petty cash reimbursement claims to Cashiers Office	-	Friday 19 July
3.2.2	Charge to research projects any petty cash expenditure coded against projects suspense code	-	Tuesday 6 August
3.2.3	Complete and return petty cash declarations form to Cashiers Office	-	Friday 16 August

4 Purchasing and Payments

4.1 Receipt of Goods/Services

All invoices processed by 31 July will be included in 2018/19. Invoices should be sent to the Payments team by **Friday 26 July** to ensure they are processed by 31 July. AP will close at 9am on

Thursday 1 August but the central AP team are expecting to stop processing by end of 31 July; all departmental processing must be complete before 1 August 2019.

Any invoice not processed by 31 July, which has a matched GRN entered by 31 July, will be picked up under the normal month end GRN routine. This functionality will enable the Financial Reporting team to create accruals for goods/services for which an invoice has not yet been processed, provided that:

- an Oracle Financials PO has been raised by 31 July
- delivery of goods/services has been recorded against that PO by 31 July.

This GRN routine will also pick up uncleared invoices against delivered POs where an invoice has gone on hold and remains 'unaccounted' (see departmental action 4.1.2). The accruals will be based on the units of goods/services delivered and the PO unit price. These accruals will be posted into departmental accounts by the Financial Reporting team on Thursday 2 August using the normal process, except that they will include research accruals which will be posted to the relevant projects before the Projects module closes on **Tuesday 6 August**.

The GRN process only operates for amounts greater than £1k and is for GL and Projects.

The accruals process will only be effective if departments ensure that all full or part-receipt of goods/services by 31 July are input to Oracle Financials by 31 July. This also applies to 'blanket' orders that have been fulfilled in part. The auditors **always** look at goods received at the start of the next financial year – i.e. on and after 1 August – to see whether these were actually delivered before the year end.

Manual accruals will only be required from departments for:

- goods/services that have been delivered where no related Oracle Financials PO exists **and** no related invoice has been input in Oracle Financials before AP closes
- goods/services that have been delivered but not recorded against the related Oracle Financials PO **and** no related invoice is input in Oracle Financials before AP closes
- Goods received not invoiced which are less than £1k as they are not picked up in automatic GRN accrual. These are below the materiality levels but can be accrued if the department so wishes.
- Miscellaneous expenses that have been incurred in 2018/19 (e.g. travel claims, awards, grant payments but **not** for goods and services) and where the documents have not been received by the Payments team by Friday 26 July and processed by 31 July.
- utility bills where the bulk of the bill relates to 2018/19 (e.g. an electricity bill for 27 May 2019 to 26 August 2019)
- Casual Payroll costs after the deadline of Friday 5 July (see section 5).

Accruals should only relate to external transactions to the University and **not internal transactions** with other departments.

GL accruals should be posted to natural account 22100 by departments.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
4.1.1	Barclaycard submissions to AP for processing in 2018/19	-	Friday 19 July
4.1.2	Ensure all invoices with matched GRN are sent to the Payments team by Friday 26 July for central team input. Departments who process AP invoices can continue until end of 31 July	-	Friday 26 July/ Tuesday 31 July
4.1.3	Ensure that goods/services delivered are recorded against Oracle Financials POs (including partial delivery)	-	Wednesday 31 July
4.1.4	Oracle Financials-calculated accruals for GRNs matched against POs and for which invoice is not received produced by the Financial Reporting team, sent to departments for information and posted into Oracle Financials for General Ledger	-	Friday 2 August
4.1.5	Oracle Financials-calculated accruals for GRNs matched against POs and for which invoice is not received produced by the Financial Reporting team, sent to departments for information and posted into Oracle Financials for Projects Ledger	-	Tuesday 6 August
4.1.5	Post Accruals Expenditure to account 22100 when not picked up through Oracle Financials GRN process	-	Thursday 15 August

The Oracle Financials Purchasing and AP modules for the July period will be closed at **9am on Thursday 1 August**. It is not possible to close the module whilst people are using it so please make sure you have completed all your July transactions by this time.

4.2 Purchase Orders

Departments do not need to create manual accruals for goods/services recorded on Oracle Financials as POs, **except** where the goods or services were delivered or received before 31 July **and** the receipt was not recorded on Oracle Financials.

4.3 Non-Purchase Order Payments

The deadline for submission of expense claims and payment request forms to be processed (not paid) by the Finance Division's Payments team if they are to be charged to 2018/19 is **Friday 26 July**. Please ensure that the forms are submitted to the Payments team regularly throughout July and not held until the deadline, to avoid the Payments team being swamped at year end. Any items that cannot be submitted within these deadlines should be recorded as expenditure accruals.

The final payment runs in 2018/19 will include items received by the Payments team up to **5pm on Tuesday 23 July**. Note there will be payment run on 2 August 2018 but these items will be included in 2018/19.

4.4 Items on Hold

Items on hold (invoices, expense claims or payment request forms), especially invoices which are not yet accounted for, must have the hold reasons reviewed and where appropriate be released to ensure they are accounted for by Oracle Financials. Uncleared 'hold' items at 31 July that Oracle Financials cannot account for will be reviewed by the Financial Reporting team, and these will be followed up with departments where necessary to ensure that accruals are made where appropriate.

4.5 Expenditure Prepayments

Other than business unit advances (mainly for overseas research projects) which are already recognised as prepayments on Oracle Financials natural account 14101 all other payments made in advance should be coded into Oracle as prepayments by departments to oracle. These should be kept up to date and be part of your monthly routine.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
4.5.1	Post prepayments in Oracle	-	Thursday 15 August

If you are unsure about whether you need to account for a prepayment, please contact your Divisional Financial Controller.

4.6 Barclaycard

Statements for Barclaycard are available online on **Friday 9 August**. You should accrue for all of these expenses as accruals if General Ledger and if Projects on YE05 if greater than £5k (see materiality section)

4.7 Form YE05 – Expenditure Accruals – Projects

Deadline 14 August 2019 send to yearend19@admin.ox.ac.uk

Instructions for completion:

- all cells for department name, code, etc. must be completed;
- enter date form is submitted;
- identify if this is a NIL return (dropdown list)
 - if it is a NIL return, nothing further to add and the form can be submitted
 - if not a NIL return, add accrual details to bottom part of form
 - departmental code
 - date goods received
 - supplier
 - Project coding
 - gross payment including VAT
 - VAT value
- ensure any entries for accrued invoices/credit notes start on first row below example.

4.8 Form YE07 – Prepayments – Projects

Deadline 14 August 2019 send to yearend19@admin.ox.ac.uk

Instructions for completion:

- all cells for department name, code, etc. must be completed;
- enter date form is submitted;
- identify if this is a NIL return (dropdown list)
 - if it is a NIL return, nothing further to add and the form can be submitted
 - if not a NIL return, add prepayment details to bottom part of form
 - departmental code
 - date invoice entered on project
 - supplier
 - Project coding
 - gross payment including VAT
 - number of whole months in 20 this invoice relates to (change formula in form)
 - VAT value
- ensure any entries for accrued invoices/credit notes start on first row below example.

5 Payroll

Casual payroll forms received by Payroll by **12 noon on Friday 5 July** will be included in 2018/19. Departments should complete a year end GL posting or YE05– Project Expenditure Accrual form (see 4.7) for casual payroll costs incurred in the remainder of July if these are material.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
5.1	Submit Casual Payroll Forms (last date for costs to be included in 2018/19)		12:00 Friday 5 July
5.2	Submit Payroll Forms and leavers and starters to Core to be included in 2018/19	-	17:00 Wednesday 10 July
5.3	Payroll posted to General Ledger and Project Module	-	Wednesday 25 July

6 Inventory

The University needs a year end Stock Valuation if:

- The department's non-trading stock is worth more than £10k or separately
- The department's trading stock is worth more than £10k.

Any stockholding below these limits will be written off from the Balance Sheet into the department's relevant cost centre.

Financial Reporting team will contact any department with a balance on natural account 11210 (inventory) and will ask for back up for the year end stock figure. This is similar to the quarterly process but with some extra backup which we will provide to auditors if needed.

Departments to provide year end stock valuation and full stock listing in excel format to Matt French by 7 August 2019.

The last day of stock adjustments is 21 August which is the departmental General Ledger close day.

6.1 Stocktakes

All stock holding departments will need to perform a year end stocktake or their final cycle count of the year: These final count dates need to be notified to Financial Reporting before the 13 July.

- Complete stocktake by Friday 31 July.

7 Projects

These notes apply to all departments that undertake research activity, or use the Projects module for departmental projects, John Fell Awards, studentships or capital projects. The Projects module will be closed for departmental adjustments by **3pm on Tuesday 6 August**; all adjustments to accounts should be completed by that date.

7.1 Allocating Costs Correctly

If you wish to journal costs relating to the 2018/19 financial year in the Projects module, you should ensure that:

- the journal has been released by 3pm on Tuesday 6 August 2019
- the Expenditure Item Date (EID) for each journal line is dated 31 July 2019 or earlier
- the budget remaining on FEC projects is calculated with regard to the relevant Directly Incurred Costs (DIC) task, not the award budget remaining.

Note that all journals which relate to the July period and remain unreleased at **3pm on Tuesday 6 August** will be deleted, as otherwise it will not be possible to close the Projects module.

Charging Costs to the Correct Financial Year

It is important that costs are allocated in the correct year, otherwise there is a risk of overstating research costs and revenue in the accounts. Full details are provided in the Accounting Guidance Notes for Projects, which are on the Finance Division website at <https://finance.web.ox.ac.uk/financial-accounting-guidance> .

All prepayments required should be entered on the YE07 form at year end (see 4.8).

Full accrual for any costs incurred before year end and which have not yet been invoiced should be made in line with the year end guidance for accruals (section 4.1). All manual accruals required should be entered on the YE05 form at year end (section 4.7).

7.2 Suspense (NZ) Projects

- By **Friday 21 June** you should have reviewed and cleared all balances on your Suspense Projects as at 31 May.
- By **Monday 5 August** you should have reviewed and cleared all balances on your Suspense Projects at 31 July.

- The UO Transfer Activity Report shows the project to which a transaction transferred to suspense was originally coded. Details on how to use the report can be found in the Reports Library at <http://www.admin.ox.ac.uk/finance/support/reportslibrary/projects/transferactivity/>.
- For How To instructions on transferring and journaling costs in Oracle Financials, refer to the Projects section of the Online Knowledge Centre: <http://upkcontent.imparando.com/R12HowTos/data/toc.html>.

7.3 9970 cost centres

The **9970 cost centres are intended for use as a suspense account where costs are journalled from one expenditure type to another (please use the Transfer functionality for any other movements of expenditure items between projects/tasks). Balances on each of the natural accounts on the **9970 cost centres should therefore be NIL. By **Tuesday 6 August** you should investigate and resolve any balances on the department's **9970 cost centre(s), either by journaling any balances to another cost centre or to an appropriate project.

7.4 Pre-Award (NX) Projects

Departments may use the Pre-Award Project if it is necessary to incur expenditure in advance of an RPF1 or RPF2 for a research grant being issued by Research Services. We do not automatically recognise balances on Pre-Award Projects for research revenue. Every effort should be made to ensure that any balances on Pre-Award Projects that can be moved onto a Research Project have been moved before year end. Where balances remain on Pre-Award Projects after the Projects module closes, departments can request that an adjustment is made to recognise revenue on these balances in the financial statements.

Research Accounts will send out a summary of costs by Pre-Award task that make up the balance on the Pre-Award Project. Each Pre-Award task will reference the Research Services Case number. The data provided by Research Accounts can be used to populate Section 1 of the YE11 form. It can also be used for reconciliation purposes, as the sum of transactions reported in Section 2 of the YE11 form should agree, on a task by task basis, with the data provided by Research Accounts. Research Accounts will also ask Research Services to review and confirm that pre-award activities across the University will be eligible for research revenue recognition purposes. Please note that the review by Research Services will take place **before** the review by departments. Any issues which might prevent Research Accounts from recognising revenue on Pre-Award activities will be reported immediately to departments.

- **Throughout June and July** Research Services will be asked to review the eligibility of pre-award activities for research revenue purposes. Issues arising will be communicated to departments.
- **Tuesday 6 August (end of day)** Research Accounts will provide departments with a summary of costs by Pre-Award task.
- By **Friday 9 August** you should complete and return the YE11 form (see section 7.7).

7.5 Projects – Advances

- By **Friday 28 June** departments should have reviewed all travel advances at 31 May. Where appropriate, expense claim forms to clear those advances should have been authorised and submitted to Accounts Payable.

- **By Friday 19 July** receipts of any unspent advances must have been sent to the Cashiers Office.
- By **Friday 26 July** expense claim forms to clear remaining outstanding advances must have been received by Accounts Payable.
- Expense claim forms, and guidance on their completion, can be found at <https://finance.web.ox.ac.uk/expenses>

7.6 Form YE11 – Research Pre-Award

Instructions for completion:

- all cells for department name code, etc. must be completed;
- identify if this is a NIL returns (dropdown list)
 - if it is a NIL return, nothing further to add and the form can be submitted
 - if not a NIL return, add details to Section 1
 - Research Services reference number
 - sponsor name
 - project title
 - Principal's name
 - start date
 - Complete Section 2
 - Pre-Award project number
 - task number
 - transaction ID
 - expenditure type
 - expenditure category
 - cost
 - project title
- ensure any entries start on first row below example.

7.7 GRN Accruals

GRN accruals relating to projects will be posted centrally by the Research Accounts team on **6 August**. On 4 and 5 August, Research Accounts will review all material GRN accruals (i.e. in excess of £100k) and departments may be asked to provide assurance that the POs to which the material GRNs relate have been receipted correctly in Oracle Financials. The materiality will be £1k.

8 General Ledger

GL will remain open to departments for journal adjustments until **5pm on Wednesday 21 August**.

OTHER YEAR END WORK

9 Internal Trading

The objective for internal trade is to complete, both from a sales and a purchase viewpoint, all the 2018/19 transactions and for all transactions to match and net to NIL. To do this, the selling department must raise invoices and buying departments must receipt goods by **Wednesday 31 July**. Ideally this is done earlier in the month rather than last minute.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
9.1	Buying departments: ensure that all goods supplied by another University department are properly receipted on Oracle Financials	-	Wednesday 31 July
9.2	Selling departments: ensure that all invoice holds are cleared	-	Wednesday 31 July
9.3	Selling departments: raise and complete invoices for all fulfilled internal sales up to and including 31 July	-	Wednesday 31 July

10 Reserves

Departments will be notified of their year end reserves balances in mid-September, after the necessary year end adjustments have been completed by the Financial Reporting team. At this point the reserve balance for each cost centre should be reviewed. If any transfers of reserves between cost centres are required, please notify Finance on the spreadsheet provided from the Financial Reporting team. If no adjustments are required, please confirm with the Financial Reporting team that the balances are to remain the same.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
10.1	Review departmental reserve balances	-	Wednesday 11 September
10.2	Submit final reserve figures to Finance	-	Thursday 26 September
10.3	Reserves posted to departmental accounts in account 99949 for actuals but not budgets	-	Tuesday 8 October

Please note that for 2018/19 management reporting, there will be no brought forward reserves in departmental accounts until this reserve validation exercise is completed. The exercise will include the ability to transfer reserves.

Note that there should be no reserve changes on Project interface generated cost centres i.e. XX9982, XX9986, XX9998, and XX9999

11 Donations

Please take time in June to review your May departmental accounts and check the following:

The donations you expected to receive during 2018/19 have been accounted for in your departmental accounts. In the case of donations which appear to be missing, please contact the Gift Registry as soon as possible and they will be able to clarify posting or investigate further. Please note – if the donation

is for a donation project, the credit will have been posted directly to the Oracle projects module (see below).

You have notified The Gift Registry of any donations which have arrived directly into your department and not via their office.

You are aware of any restrictions placed on the use of gifts by the donor.

All the expected deferrals are there. Please liaise with the Financial Reporting team to report any missing deferrals and ensure any supporting documentation for deferral is submitted on a timely basis.

Deferred Donations

Full details on the process for accounting for deferred donations can be found on the Finance Division website at <https://finance.web.ox.ac.uk/donations>. Please follow this process and do not include any donation balances on your year-end forms.

Projects Module

Please review your expenditure to ensure that costs relating to donations set up as departmental projects have been coded to the relevant project. Please note that for these donations accounted for as departmental projects, the Projects module deadlines apply which are earlier than the dates for the General Ledger.

General Ledger

Please review your expenditure to ensure that the correct source of funds codes have been used and that all eligible expenditure has been included on the correct code for each donation.

An interim release of donation income to match expenditure will be posted into your departmental accounts on **Wednesday 7 August** so please review the deferrals after that date. Please be sure to tell the Financial Reporting team of any donations which you think have been missed, together with full documentation showing why the donation can be deferred, by **Thursday 15 August**.

The final adjustment will be made to the donation deferral in advance of the GL close on **Friday 30 August**.

12 Holiday Pay

As part of the year end accounts, a calculation of outstanding holiday pay has to be made. This is carried out on a sample basis and it has been agreed with the auditors that a sample of 20 departments will be selected each year. The departments selected will vary year on year. The

selected departments will be informed by Wednesday 12 June. Detailed instructions will then be provided and the Financial Reporting Team will visit to explain in more detail if required. This will also be covered in the year end roadshows.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
13.1	Departments who are selected for holiday pay will be informed by:	-	Wednesday 12 June
13.2	Visits to departments on holiday pay can be arranged with Financial Reporting	-	During July
13.3	Holiday pay calculations back to Financial Reporting	-	Friday 16 August

YEAR END CONTACTS

The Year End Key Contacts list is available from the Finance Division website at <https://finance.web.ox.ac.uk/financial-reporting-contact> .

YEAR END FORMS

The year end forms used for 2018/2019 are listed below.

Departmental Checklist and Compliance Return	YE01
Accruals – Projects	YE05
Prepayments – Projects	YE07
External Trading Departmental Return	YE08
Research Pre-Award Balances	YE11

All forms are available from the Finance Division website at
<https://finance.web.ox.ac.uk/year-end-forms>

Accruals Accounting at Year-End

Introduction

The process for recording accruals, prepayments, income in advance and deferred income at year-end is changing as a result of the introduction of departmental monthly postings.

The monthly accruals and prepayments will replace the year end forms in 18/19 except for Projects accruals and prepayments. All Departments will need to be posting their own accruals/prepayments by this time.

Projects Accruals and Prepayments

Projects journals are required for expenditure prepayments and accruals. These will continue to be done on the existing forms. The forms will need to be returned to the yearend19 mailbox by **14th August**. The posting processes requires the Projects module to be closed to other users and therefore this is a firm deadline which cannot be amended.

No adjustments are required for project income as it is handled by the projects module postings. This includes the treatment of overheads.

Departmental Posting Guidelines for Year-end

GRN Accruals - Please note that the GRN accruals process will continue as normal, please take care not to duplicate accruals of GRNs. Financial Reporting will need to reverse any duplicates found, causing late changes to divisional results.

If a department has a GRN for a capital item not on a project over £50,000, please send the details to the Fixed Asset Accountant (via the yearend19 mailbox) as a separate process is required.

GRN accruals will also be prepared for projects and posted by the Research Accounts team at the same time as the forms.

Donation and Trust Income (B and C source of funds) – donation and trust income should not be accrued as this is posted centrally to match expenditure. It is valid to accrue expenditure funded by donations or trust funds in the normal way.

Year-end Materiality is £5,000 for year-end. All accruals above that Accruals that are below this amount are at the division/departments discretion.

Departmental Capital Items - If there are any accruals relating to capital items over £50,000 not on a project, details need to be sent to the Fixed Asset Accountant (via yearend19 mailbox). This will allow the correct capitalisation of these items and give the correct position in departmental accounts.

Year-end timetable

Departmental GRNs should be posted by 2nd August. The other departmental accruals need to be posted by 15th August.

Where to code?

Accrual type	Natural Account
Income accrual	19151
Expenditure accrual	22100
Prepayment	14000
Income received in advance	26900

Departmental cost centres should be used to enable the Financial Reporting Team and the Divisional Finance Teams to identify which department the transactions belong to.

Reconciliations

Reconciliation of the balance sheet codes will continue to be done centrally. Divisions should ensure that their departments are able to provide a reconciliation. The external auditors will request to see reconciliations and backing documents at year end for large amounts and a random sample of other accruals.

Appendix – Guidelines on Accrual accounting

In practical terms this can be split into four main areas when applied to the departmental management accounts of the University and an explanation of each is outlined below–

Income accrual – A service has been provided during a month, so the income should be included in that month by way of an income accrual, if the invoice is not raised until the following month. An example of this could be hosting a conference/meeting for an outside company on the 30th of the month and not invoicing until the 4th of the following month.

Expenditure accrual – A cost has been incurred in the month but the invoice has yet to be received. The Financial Reporting Team currently operates the Good Received Note (GRN) accruals process for where amounts have been received and matched to purchase orders (receipted) but invoices have yet to be received. These are centrally posted accruals. Departments should post additional expenditure accruals that have not been picked up in the monthly accruals process either because the goods/services have not been receipted or for expenditure incurred outside of the purchase order process. An example of this would be agency staff fees where the supplier of these temporary staff are slow with their invoicing.

Prepayment – A payment for goods/services has been incurred in a month but the benefit of the goods/service will be experienced over future months. An example of this is a software maintenance contract paid in August where the contract covers a period of 12 months. The cost should be spread equally over the relevant 12 months by way of a prepayment.

Income received in advance – A payment has been received for a service that will cover a period longer than the month in which the cash was received. An example of this would be membership fees received in August that cover the year until the end of July. The income should be spread equally over the entire 12 months.

Further information on FRS 102 and SORP accounting policies can be found in the Financial Statements.

Note all items over £5k need to be accrued at year-end.