DEPARTMENTAL YEAR END MANUAL
Year-end July 2023

Finance Division

23-38 Hythe Bridge Street
OX1 2ET Oxford

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

Contents

University of Oxford

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

From the Director of Technical Accounting & Reporting

Date 30 June 2023

To   Departmental Administrators
          Departmental Finance Officers

cc   Divisional Financial Controllers
          Financial Reporting Team

Dear colleague,

Welcome to the Departmental Year End Manual for 2023. The purpose of this booklet is to give an overview of the plan for the 2022/23 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.admin.ox.ac.uk/financial-accounting-guidance.

Timetable

The 2022/23 accounts timetable for the University of Oxford is similar to the 2021/22 timetable which was successfully achieved by departments but with these items accelerated.

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	31 Jul
General Ledger (GL) closed to departments	16th Aug
Departmental adjustments finished	21st Aug*
General Ledger closed for July 2023	29th Sep
Final audit starts	2nd Oct
Departmental Self Assurance and year-end sign-off	30th Sep
Audit and Scrutiny Committee approval of accounts	15th Dec
Council sign-off of accounts	16th Dec

* Our aim is to complete all departmental postings in the July general ledger period by on or before Friday 21st August, but adjustments will be possible up to 31st August.

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 and preparation – 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. link to key contacts
6. links to year end forms
7. guidance on accruals accounting

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 on Teams in last week of June to early July and dates will be provided via email by your Divisional Controller. If you would like further information about the briefing sessions, please email yearend23@admin.ox.ac.uk. If necessary, the Financial Reporting team can visit departments on an *ad hoc* basis to provide further assistance (or can arrange a meeting on Teams if more appropriate).

There are no significant changes in our approach or accounting policies for the 2022/23 year end but we do have a second year of new external auditors with Deloitte replacing KPMG.

The Departmental Financial Self Assurance Return (including the departmental year end checklist) is run as part of the year-end process, with a deadline of 30 September for submission of approved returns. The Self-Assurance Return includes a reminder of the key elements of financial processes, and forms a declaration from departments around their management of financial administration.

The Financial Self-Assurance Return is shifting onto Qualtrics in 2023. Information will be included in the year-end briefing sessions.

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 2023. The sessions will concentrate on:

- the audit timetable
- New issues for 2022/23
- cut off
- the completion of year end forms
- working with Deloitte
- changes compared to prior years
- Departmental tax issues update
- Self-Assurance exercise

The sessions will take about 1 hour and 20 minutes and will include a section on Self-Assurance and on departmental tax issues. Sessions 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.admin.ox.ac.uk/financial-accounting-guidance).

Financial Year 2022/23 – 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 8:00am on Tuesday 1 August 2023** - 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 Tuesday 1 August 2023**

- **The Projects module will close at 3pm on Thursday 3 August 2023** - 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 16 August 2023** - this is the final date for departmental input

- **The final closure of the GL on Tuesday 31 August 2023** but we aim to have completed departmental accounting entries by the close of business on Monday 21st August. However, changes to departmental accounts could be made up to 31st August 2023, after which all adjustments should be posted to central costs centres.

Between the departmental general ledger close on 16th August and 21st August 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 yearend23@admin.ox.ac.uk. Between 16 August and 21 August, 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 21 August 2023.

Audit

As in previous years, the audit is in two stages. An interim audit took place in April. No issues have been identified to date but the work is ongoing and Deloitte will be requesting supporting documentation for journals through to mid-July. I appreciate the timing of this is difficult with preparation for year-end already under way and if you have any concerns, please do contact me.

The main audit will start on Monday 2nd October 2023 and will last until the end of November. The auditors have a right to enquire into any transaction. We will have agreed a list of reports and analysis 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 email Paul Adams or Alan Glaum.

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 16th August and 21st August, no adjustments for less than £5,000 will be made.

Pre-Year End Activity

We recommend that you use the 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

- reviewing balance sheet natural accounts and reversing any accruals/prepayments which are no longer valid

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 2023 in order to allow more time to process the returned forms before the actual year end. The schedules have been sent to departments and should be returned to the Financial Reporting team by Monday 26 June. If necessary, please contact yearend23@admin.ox.ac.uk 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 and the Research Accounts team and Research Services will ensure that they eliminate any backlog in setting up new awards. Further details can be found in section 7.4;

- 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 or unaccounted.

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.admin.ox.ac.uk/financial-reporting-contact. I hope you find this information helpful.

Paul Adams

Interim Head of Financial Reporting

*Email:*paul.adams@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 by 12:00 pm	Payroll	5 July	
Final date for timesheets and starter/leaver forms to be received by the Central Payroll Team (MAIN) and completion of tasks requiring Payroll Team action	Payroll	10 July	
Refunds due need to be requested by departments to the Credit Control (AR) team by **Monday 11 July**. Any received after that date will be processed in 2023/24.	AR	10 July	
Submit currency cheques to Cashiers office for processing in 2022/23	Cash	14 July	
Final date for invoices/expense claims/payment request forms to be received by the Central Payments team for **payment** in July (by 5 pm).	AP	18 July	
Last date for expenses to be pain in Jul-23 (ensure all SAP Concur claims are fully apporved and have a sent status)	AP	19 July	
Barclaycard deadline for Jul-23	AP	21 July	
Review and clear all invoices on hold	AP	21 July	
Final sterling payment run for July to ensure payment in July	AP	24 July	
Final foreign currency payment run to ensure payment in July	AP	24 July	
Cheque receipts forwarded to the Cashiers Office for 2022/23 processing.	Cash	25 July	
Payroll posted to General Ledger & Projects	Payroll	25 July	
Final date for invoices/expense claims/payment request forms to be received by the Central Payments team for expenditure to be included in the Jul-22 period (by 5 pm).	AP	5pm 25 July	
Last day for On Line Store transactions for posting into 2022/23	Cash	25 July	
Last day for Card terminal and PDQ machine for posting into 2022/23 (On line transactions except On Line Store)	Cash	25 July	
Ensure GRNs raised for all goods/services delivered against Oracle Financials POs (including partial delivery)	Purchasing	28 July	
Final review of all POs to check they are still required	Purchasing	28 July	
Review all blanket POs and renew or close as necessary	Purchasing	28 July	
All unaccounted invoices must be accounted for and posted to GL	AP	28 July	
Buying departments: ensure that any goods supplied by another University department are properly receipted in Oracle Financials	Internal Trade – AP	28 July	
Buying departments: ensure that invoice holds are cleared	Internal Trade – AP	28 July	
Final day for processing AP invoices	AP	28 July	
AP closed for July	AP	8am – 1 August	Central Finance task
Oracle Financials-calculated accruals for GRNs matched against POs and for which invoice has not been received are	GL	2 August	Central Finance task

DEPARTMENT ACTION	MODULE/ PROCESS	DEADLINE	COMPLETED
posted to departmental accounts by the Financial Reporting team.			
Main supplier payment run (delayed from 28th July)	AP	1 August	Central Finance task
Last day for input in Oracle Financials AR	AR	5pm – 1 August	
Last date for departments to post costs to trusts for first match	GL	2 August	
Trial balance to be run for trusts for first matching	GL	3 August	
Oracle Financials-calculated accruals for GRNs matched against POs and for which invoice has not been received are posted to departmental projects by the Research Accounts team.	Projects	3 August	Central Finance task
Complete research projects coding corrections	Projects	3pm 3 August	
Charge to research projects any expenditure coded against Projects suspense code	GL & Projects	3pm 3 August	
Projects module closes on Oracle Financials	Projects	3pm 3 August	Central Finance task
Pre-award balances sent to departments	Projects	3 August	Central Finance task
Interim donation income posting for expenditure coded to date	GL	4 August	Central Finance task
Review Courtesy accounts	GL	4 August	
Departmental Equipment Listing (DEL) sent to departments	Fixed assets	7 August	Central Finance task
First income trust matching to be posted	GL	9 August	
Confirm pre-award account balances to Research Accounts	Projects	11 August	
Year End Projects accruals, and prepayments to be completed and submitted (YE05 and YE07)	Forms to be completed	11 August	
Initial departmental posting of GL accruals, prepayments, deferred income and income in advance posted	GL	14 August	
Departmental Equipment Listing (DEL) sent by departments to Central Finance	Fixed assets	14 August	
Year End Projects forms processed by the Research Accounts team	Projects	15 August	Central Finance task
Review GL reports for department and complete final journals	GL	16 August	
Oracle Financials GL for July closes to departments	**GL**	**5pm 16 August**	
Central adjustments of departmental accounts completed so departments can run their final figures subject to audit	GL	21 August	Central Finance task
Year end audit begins		2 October	
Complete Self Assurance (including) departmental sign-off		30 September	

PLANNING, PREPARATION AND YEAR END FORMS

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 2022/23 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

For the Projects Module, there are Year End forms to use where cut off has not been completely and successfully met. 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 GRN accrual process for receipt POs which have not been matched to an invoice. This will reduce the need to accrue manually in early August for 2022/23 payments.

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

Most modules will simply close at the end of July or early August, and be opened as Period 1 in 2023/24.

The Projects module (to close **Thursday 3 August (15:00)**) and GL (to close **Wednesday 16 August (17:00)**) will be kept open longer than a normal month end to allow correcting adjustments to be made. The Projects module will then be reopened for certain central finance users on 15 August for the posting of projects accruals and the posting of related income. The projects module will be unavailable for departmental users from 2pm on Tuesday 15 August, and access will be restored the following morning. GL has an Adjustment period, which the Finance Division will use after the end of

August 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 Sunday 31 July into the July 2023 period and from Monday 1 August into the August 2023 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.

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 16 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 Tuesday 1 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 Tuesday 1 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. Also see the Appendix 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 Tuesday 25 July will be recorded under the ordinary procedures. Any sales for the period Wednesday 26 to Monday 31 July 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 Friday 31 July for sales which relate to 2023/24. In these cases, departments should post the income in advance to natural account 26900 (see Appendix).

	DEPARTMENT ACTION	DEADLINE
2.1.1	Complete and return external trading form to Finance (YE08) – see section 2.5	Monday 26 June
2.1.2	Raise sales invoices for goods/services supplied before 31 July	Tuesday 1 August
2.1.3	Review all sales invoices to ensure properly completed	Tuesday 1 August
2.1.4	Post any deferred income or income in advance to General Ledger	Monday 14 August

2.2 Credit Notes

Departments should ensure that all relevant credit notes are raised by **Tuesday 1 August**. Credit notes raised on 1 or 2 August will need the accounting and transaction date changing to 31 July 2022 to be included in the 2022/23 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 **Monday 10 July**. Any received after that date will be processed in 2023/24.

DEPARTMENT ACTION		DEADLINE
2.3.1	Refunds due need to be requested by departments to the Credit Control (AR) team.	Monday 10 July
2.3.2	Check that the line status has moved to 'closed' for all fulfilled sales order transactions	Tuesday 1 August

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 2023 and compare them to the same period in 2022 and to 31 July 2022 year end. The forms have been sent to departments pre-populated with figures for 2021/22 and 2022/23; the form must be returned to the External Trading team by **Monday 26 June** (see 2.5).

2.5 Form YE08 – External Trading

A pre-populated form will be sent to you via email from the year-end mailbox. Please review the figures to identify any adjustments that need to be made before the year end then provide comments on the form to explain all significant (>10k) variances to the prior year, and note significant adjustments still to be made.

When you return the form, please also ensure you provide a summary/description of the trades undertaken under external trading within your department and a list of key clients.

If your department has no external trade and the form is blank, please email yearend23@admin.ox.ac.uk to confirm that the department has no external trade.

3 Cash

3.1 Cash Receipts

Departments should forward cheque 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 cheques are forwarded to the Cashiers Office by 5pm on Monday 24 July if they are to be included in 2022/23 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 26 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 also 3 days so amounts processed between 26 July and 31 July can be accrued if they are for income to account 19151.

DEPARTMENT ACTION		DEADLINE
3.1.1	Forward Currency cheques to the Cashiers Office for processing in 2022/23	Friday 14 July
3.1.2	Forward Sterling cheques to the Cashiers Office for processing	Friday 21 July
3.1.3	Final day to deliver cash for banking in 2022/23 to Cashiers Office	Friday 21 July
3.1.4	Final day for Card Terminal and PDQ receipts to be processed for inclusion in 2022/23	Tuesday 25 July
3.1.5	Final day for on-line store transactions to be included in 2022/23.	Tuesday 25 July

3.2 Petty Cash

Departments should ensure that all petty cash claims are with the Cashiers Office by **5pm on Friday 14 July**.

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

DEPARTMENT ACTION		DEADLINE
3.2.1	Submit final petty cash reimbursement claims to Cashiers Office	Friday 14 July
3.2.2	Charge to research projects any petty cash expenditure coded against projects suspense code	Thursday 3 August

4 Purchasing and Payments

4.1 Receipt of Goods/Services

All invoices processed by 31 July will be included in 2022/23. Invoices should be sent to the Payments team by **Tuesday 25 July** to ensure they are processed by 31 July. AP will close at 8am **on Tuesday 1 August;** all departmental processing must be complete before **1 August 2022.**

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 Tuesday 1 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 **Thursday 3 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 receipted 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 2022/23 (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 Tuesday 25 July and or claimed on eExpenses and processed by 31 July.
- utility bills where part of the bill relates to 2022/23 (e.g. an electricity bill for 27 May 2022 to 26 August 2022)
- Casual Payroll costs after the deadline of Monday 3 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		DEADLINE
4.1.1	Final date for invoices, expenses and PRF's to be received by the Payments Team for payment in July. Payments go out on 21st for credit to suppliers early the following week	Tuesday 18 July
4.1.2	Ensure all invoices are sent to the Payments team by Tuesday 25 July for central team input by 31 July. Departments who process AP invoices can continue until end of 31 July.	Tuesday 25 July/ Friday 28 July
4.1.3	Ensure that goods/services delivered are recorded against Oracle Financials POs (including partial delivery)	Monday 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	Tuesday 1 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	Wednesday 2 August
4.1.5	Post Accruals Expenditure to account 22100 when not picked up through Oracle Financials GRN process	Friday 11 August

The Oracle Financials Purchasing and AP modules for the July period will be closed at **8am on Tuesday 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 payment request forms to be processed (not paid) by the Finance Division's Payments team if they are to be charged to 2022/23 is **Tuesday 25 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 2022/23 will include items received by the Payments team up to **5pm on Tuesday 18 July**.

4.4 Expense Claims

Staff and students should now be using the new SAP Concur eExpenses system to claim expenses. The processing time between the approval of an expense claim submitted on SAP Concur and the cost appearing in Oracle does vary so please encourage claimants to submit their claims as soon as possible. If you are aware of any material claims being approved after 24th July, we recommend you check on Oracle to see if it has been accounted for on or before 31st July and post a manual accrual if it has not.

Claimants external to the University should continue to use expense claim forms (see 4.3 Non-Purchase Order Payments for the deadlines).

4.5 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.

4.6 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 accounted for in Oracle as prepayments by departments. These should be kept up to date and be part of your monthly routine.

DEPARTMENT ACTION		DEADLINE
4.5.1	Post prepayments in Oracle	Friday 11 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 **Tuesday 8 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 11 August 2023 send to research.accounts@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
    - Goods receipt date (date of provision to your dept) (NOTE: this date will be used for the expenditure item date and should be a date between 1st August and 31st July of the current financial year)
    - Supplier/Payee (FULL NAME)
    - Project number
    - Task number
    - Expenditure type (select from dropdown)
    - Gross payment (incl. VAT) £
    - VAT value £
    - Is this an expense claim, casual payroll payment or items received but unreceipted in purchasing by 31 July?
    - PO number (where applicable)
    - Notes
  .

4.8 Form YE07 – Prepayments – Projects

Deadline 11 August 2023 send to research.accounts@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
    - Expenditure Item Date
    - Supplier/Payee
    - Project number
    - Task number
    - Expenditure type (select from dropdown)
    - Gross payment in £ (incl. VAT)
    - In advance % relating to future financial year(s)
    - Total VAT value £
    - Transaction ID number(s) of expenditure related to this payment/invoice
    - Notes
  - Note that gross prepayment (column I) will automatically populate based on the data entered from the above list – do not adjust this

5 Payroll

Casual payroll forms received by Payroll by **12 noon on Wednesday 5 July** will be included in 2022/23. 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		DEADLINE
5.1	Submit Casual Payroll Forms (last date for costs to be included in 2022/23)	12:00 Wednesday 5 July
5.2	Submit Payroll Forms and leavers and starters to People XD to be included in 2022/23	17:00 Monday 10 July
5.3	Payroll posted to General Ledger and Project Module	Tuesday 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 should provide a year-end stock valuation and full stock listing in excel format to the Financial Reporting Team by 4 August 2023.

The last day of stock adjustments is 16 August which is the departmental General Ledger close day.

6.1 Stocktakes

- Departments should carry out physical stocktakes as normal this year.

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 Thursday 3 August**; all adjustments to accounts should be completed by that date.

Please note that the deadline for project set up is the **14th July August**, no requests after this date will be processed until after the year-end.

7.1 Allocating Costs Correctly

If you wish to journal costs relating to the 2022/23 financial year in the Projects module, you should ensure that:

- the journal has been released by 3pm on Thursday 3 August 2023
- the Expenditure Item Date (EID) for each journal line is dated 31 July 2023 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 Thursday 3 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.admin.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 **Tuesday 1 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 https://finance.admin.ox.ac.uk/uo-transfer-activity-report.
- For How To instructions on transferring and journaling costs in Oracle Financials, refer to the Projects section of the Online Knowledge Centre: https://finance.admin.ox.ac.uk/how-to-videos-2

7.3 9970 cost centres

The **9970 cost centres are intended for use as a transfer account where costs are journaled 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 **Thursday 3 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 following the closure of the projects module on 3 August. Departments should confirm to Research Accounts that the task balances are correct and accurate in terms of the income that needs to be accrued for.

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.
- **Thursday 3 August (end of day)** Research Accounts will provide departments with a summary of costs by Pre-Award task.
- By **Friday 11 August** you should confirm your pre-award balances to Research Accounts.

7.5 Projects – Advances

- By **Thursday 29 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 14 July** receipts of any unspent advances must have been sent to the Cashiers Office.
- By **Tuesday 25 July** expense claim forms to clear remaining outstanding advances must have been received by Accounts Payable.
- Guidance on claiming expenses, can be found at https://finance.admin.ox.ac.uk/expenses.

7.6 GRN Accruals

GRN accruals relating to projects will be posted centrally by the Research Accounts team on 3 **August**. On 2 and 3 August, Research Accounts will review all material GRN accruals (i.e. in excess of £25k) 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 16 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 2022/23 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 **Friday 28 July**. Ideally this is done earlier in the month rather than last minute.

	DEPARTMENT ACTION	DEADLINE
9.1	Buying departments: ensure that all goods supplied by another University department are properly receipted on Oracle Financials	Friday 28 July
9.2	Selling departments: ensure that all invoice holds are cleared	Friday 28 July
9.3	Selling departments: enter and complete invoices for all fulfilled internal sales up to and including 31 July	Friday 28 July

10 Reserves

The Finance White Paper introduced some changes to the way reserves are named and how they are handled. The new arrangements go live for the next financial year so the impact for the year end process will be in terms of preparing the roll forward reserves number and understanding what happens after 1 August 2023.

The current system was that most surplus or deficit movements during the year were rolled up into just "reserves" (now called historic reserves) which were held at departmental level (UAS & GLAM which do not accumulate reserves being an exception). The Finance White Paper came to a settlement for accumulated historic reserves up to 31st July 2021 which wrote off all deficit departmental reserves but retained the surpluses for use for strategic purposes and ringfenced PI accounts and SRFs for continuing access unaffected by the settlement.

For the intervening years 21/22 and 22/23 the reserves accounting has continued as before but PRAC has put in place a hybrid "proof of concept" scheme which sits in between old and new and is part of the settling up of the new balances to be carried forward

11 Donations

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

The donations you expected to receive during 2022/23 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.admin.ox.ac.uk/donations. Please follow this process and do not post any manual accruals on deferrals for donation income.

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 **Friday 4 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 **Friday 11 August**.

The final adjustment will be made to the donation deferral before **Friday 25 August**.

12 Trust Funds

Reminder of the University Policy & accounting practices

- Expenditure can only be charged against a trust if it meets the stated purpose of the trust (please see the regulations or email UAS Trusts trusts@admin.ox.ac.uk if you are unsure). At the year end please ensure all relevant costs have been charged against the trust.

- The use of any income code with the B SOFs by the departments/ divisions **is not permitted**. The Financial Reporting team will transfer income form the relevant trust fund 'central' account to the departmental account to match the expenditure coded there.

- Please do not use prepayment/advance or accrual natural accounts with a B code. Please use your departmental cost centres.

- Natural accounts on trust funds need to be transparent, hence please can you use natural accounts which relate to the expenditure originally charged e.g. award, salary cost, consumables. Please do not use '99600' (recharges natural account) as it does not meet the transparency criteria for the trusts accounting. This will allow the nature of the transactions to be easily compare with the trust regulations which describe allowable costs.

Timescales:

- An interim release of trust income to match expenditure will be posted into your departmental accounts on 8 August 23. The July-23 trial balance will be run on 3 August at 5pm for the interim match so please review the costs and income on your trusts to ensure that everything as expected by this date.
- By 25 August 2023 the Financial Reporting section should have credited departmental accounts with any final trust fund income to match spend for any additional expenditure identified during August 2023 by the 16 August (July 23 Departmental GL close)
- Any expenditure in excess of the amount available from the trust will be transferred back the department in the last week of August 2023.
- By 25 August 2023, any unspent income relating to the trust fund will be carried forward by the Financial Reporting team on a trust central cost centre.
- By 31 August 2023 the Deposit Pool Trust year end position will be confirmed.
- The year-end statements will be release by the end of the first week in October 2023.

In addition there will be two versions of the DFC trust reports sent

- A simplified one after the first match
- A final one after final prices are received from the endowment fund.

N.B. for all newcomers and for those ones who would like to refresh their trusts knowledge prior to the year end there will be a training course on the financial aspects of trust fund management. If you have staff who would benefit from this course, they can find more information by logging in to CoSy from the finance division website and searching for the Trust Funds course. The course will be delivered on teams. The next course is 20 July.

13 Holiday Pay

Every 5 years, The University needs to identify how much outstanding leave there is at the end of the Financial Year. This year we need to complete a sample across the University to recalculate the average outstanding leave per non-academic staff member.

The University randomly samples departments from every division to report their outstanding position of Holiday remaining, but not taken at year end. Returns from departments selected in the sample allow us to obtain an average of outstanding holiday days. This in turn is then used to help us produce the holiday pay accrual in the University accounts at year end.

Please note that there is no departmental charge for this accounting adjustment, it is purely a Central University posting and includes non-academic staff only.

23 Departments were chosen at random in March and those selected have been notified of their involvement in the process. Sample Departments should submit their data using the template provided by 9th August.

YEAR END CONTACTS

The Year End Key Contacts list is available from the Finance Division website at https://finance.admin.ox.ac.uk/accounting.

YEAR END FORMS

The year end forms used for 2022/2023 are listed below.

Accruals – Projects	YE05
Prepayments – Projects	YE07
External Trading Departmental Return	YE08

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

APPENDIX

Accruals Accounting at Year-End

General Ledger

The recording of accruals, prepayments, income in advance and deferred income is undertaken at departmental level using journals. For most departments, this will be a monthly process which needs to be repeated at year end, possibly to a greater level of accuracy depending on the materiality used for month-end adjustments.

Projects Accruals and Prepayments

Projects journals are required for expenditure prepayments and accruals. As in previous years, departments should request these on year-end forms. The forms will need to be returned to the yearend23 mailbox by **11th 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 yearend23 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 should be made. 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 yearend23 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 on 3rd August. The other departmental accruals need to be posted by 11th 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

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

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.