

DEPARTMENTAL YEAR END MANUAL
Year end July 2021



Finance Division

23-38 Hythe Bridge Street
OX1 2ET Oxford

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

Contents

COVER LETTER.....	1
TIMETABLE OF DEPARTMENT ACTIONS AND KEY DATES	6
PLANNING, PREPARATION AND YEAR END FORMS	8
1 Pre-Year End Activity.....	8
2 Sales	9
3 Cash.....	10
4 Purchasing and Payments	12
5 Payroll.....	15
6 Inventory.....	15
7 Projects.....	16
8 General Ledger.....	18
OTHER YEAR END WORK.....	18
9 Internal Trading.....	18
10 Reserves.....	18
11 Donations	19
12 Furlough	20
13 Holiday Pay.....	20
YEAR END CONTACTS.....	21
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 21 June 2021

To Departmental Administrators
Departmental Finance Officers

cc Divisional Financial Controllers
Financial Reporting Team

Dear colleague,

Welcome to the Departmental Year End Manual for 2021. The purpose of this booklet is to give an overview of the plan for the 2020/21 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 2020/21 accounts timetable for the University of Oxford is very similar to the 2019/20 timetable which was successfully achieved by departments.

This year the departmental year-end checklist (form YE01 in previous years) will be embedded within the Self Assurance return which we hope will save time for departments by making the process more efficient.

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	Sat 31 Jul
General Ledger (GL) closed to departments	Wed 18 Aug
Departmental adjustments finished, e.g. trusts - GL closed	Fri 27 Aug
Final audit starts	Mon 13 Sep
Departmental Self Assurance sign-off and Departmental Checklist (formerly YE01)	Thu 30 Sep
Audit and Scrutiny Committee approval of accounts	Thu 11 Nov
Finance Committee approval of accounts	Thu 11 Nov
Council sign-off of accounts	Mon 29 Nov

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. 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 from end June to early July and dates were circulated via email on 7th June. If you would like further information about the briefing sessions, please email yearend21@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 2020/21 year end.

The Self Assurance exercise for Departments will take place as in 2020/21 and will include the departmental year-end checklist (formerly form YE01) for the first time this year. The aims of this exercise are unchanged, SharePoint will again be used to gather the information. Further information about the Self Assurance exercise for 20/21 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 2021. The sessions will concentrate on:

- the audit timetable
- New issues for 2020/21
- cut off
- the completion of year end forms
- working with KPMG remotely and on site, the onboarding of the new auditors for Deloitte for 2021/22.
- minor 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. Year-end can be a complex process for new employees to the University, so the Financial Reporting team will also carry out one longer session 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 2020/21 – 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 Monday 2 August 2021** - 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 3 August 2021**
- **The Projects module will close at 3pm on Thursday 5 August 2021** - 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 18 August 2021** - this is the final date for departmental input
- **The final closure of the GL on Friday 27 August 2021** - the statutory accounts will be prepared on the basis of the trial balance as at 27 August 2021 and after that date any changes should be audit adjustments only.

Between 18 August and 27 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 yearend21@admin.ox.ac.uk. Between 18 August and 27 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 27 August 2021.

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 13 September 2021 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 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 Ben Heath or Alan Glaum.

This year is the final year on the contract of our external auditors, KPMG and they will be replaced by Deloitte from the 2021/22 year end. The Financial Reporting Team is already working with Deloitte on the transition but we do not expect them to have any contact with departments until next year.

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 18nd August and 27th 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 reverse 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 2021 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 Tuesday 29 June. If necessary, please contact the External Trading team (see key contacts list on page 21) for help in completing this form or yearend21@admin.ox.ac.uk;
- 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.

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/accounting>. I hope you find this information helpful.

Ben Heath

Director of Technical Accounting & Reporting

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	29 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	12 July	
Refunds due need to be requested by departments to the Credit Control (AR) team by Tuesday 13 July . Any received after that date will be processed in 2021/22.	AR	13 July	
Submit currency cheques to Cashiers office for processing in 2020/21	Cash	16 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	20 July	
Review and clear all invoices on hold	AP	23 July	
Final sterling payment run for July to ensure payment in July	AP	23 July	
Final foreign currency payment run to ensure payment in July	AP	26 July	
Cheque receipts forwarded to the Cashiers Office for 2020/21 processing.	Cash	26 July	
Payroll posted to General Ledger & Projects	Payroll	27 July	
Payroll posted to General Ledger & Projects	Payroll	27 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-21 period (by 5 pm).	AP	5pm 27 July	
Last day for On Line Store transactions for posting into 2020/21	Cash	27 July	
Last day for Card terminal and PDQ machine for posting into 2020/21 (On line transactions except On Line Store)	Cash	27 July	
Ensure GRNs raised for all goods/services delivered against Oracle Financials POs (including partial delivery)	Purchasing	30 July	
Final review of all POs to check they are still required	Purchasing	30 July	
Review all blanket POs and renew or close as necessary	Purchasing	30 July	
All unaccounted invoices must be accounted for and posted to GL	AP	30 July	
Buying departments: ensure that any goods supplied by another University department are properly receipted in Oracle Financials	Internal Trade – AP	30 July	
Buying departments: ensure that invoice holds are cleared	Internal Trade – AP	30 July	
Final day for processing AP invoices	AP	30 July	
AP closed for July	AP	8am – 2 August	Central Finance task
Oracle Financials-calculated accruals for GRNs matched against POs and for which invoice has not been received are posted to departmental accounts by the Financial Reporting team.	GL	2 August	Central Finance task

DEPARTMENT ACTION	MODULE/ PROCESS	DEADLINE	COMPLETED
Main supplier payment run (delayed from 30 th July)	AP	2 August	Central Finance task
Last day for input in Oracle Financials AR	AR	5pm – 3 August	
Complete research projects coding corrections	Projects	3pm 5 August	
Charge to research projects any expenditure coded against Projects suspense code	GL & Projects	3pm 5 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	5 August	Central Finance task
Projects module closes on Oracle Financials	Projects	3pm 5 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	6 August	Central Finance task
Review Courtesy accounts	GL	6 August	
Departmental Equipment Listing (DEL) sent to departments	Fixed assets	10 August	Central Finance task
Confirm pre-award account balances to Research Accounts	Projects	12 August	
Year End Projects accruals, prepayments and pre-award forms to be completed and submitted (YE05, YE07 and)	Forms to be completed	13 August	
Initial departmental posting of GL accruals, prepayments, deferred income and income in advance posted	GL	13 August	
Departmental Equipment Listing (DEL) sent by departments to Central Finance	Fixed assets	16 August	
Year End Projects forms processed by the Research Accounts team	GL	17 August	Central Finance task
Review GL reports for department and complete final journals	GL	18 August	
Oracle Financials GL for July closes to departments	GL	5pm 18 August	
Central adjustments of departmental accounts completed so departments can run their final figures subject to audit	GL	27 August	Central Finance task
Start review departmental reserve balances	Reserves	10 September	
Year end audit begins		13 September	
Submit final reserve figures to Finance including analysis of reserves by category	Reserves	24 September	
Complete Self Assurance (including) departmental sign-off (formerly form YE01)	Form YE01	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 2020/21 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 GRN accrual process for receipt POs which have not been matched to an invoice. This will reduce the need to submit accrual requests in early August for 2020/21 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 2021/22.

The Projects module to close **Thursday 5 August (15:00)** and GL (to close **Wednesday 18 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 17 August for the posting of projects accruals and the posting of related income. 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 Saturday 31 July into the July 2021 period and from Sunday 1 August into the August 2021 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.

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 18 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 3 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 3 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 27 July will be recorded under the ordinary procedures. Any sales for the period Wednesday 28 to Saturday 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 Friday 31 July for sales which relate to 2021/22. In these cases, departments should post the income in advance to natural account 26900 (see Appendix).

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
2.1.1	Complete and return external trading form to Finance (YE08)	2.5	Tuesday 29 June
2.1.2	Raise sales invoices for goods/services supplied before 31 July	-	Tuesday 3 August
2.1.3	Review all sales invoices to ensure properly completed	-	Tuesday 3 August
2.1.4	Post any deferred income or income in advance to General Ledger	-	Friday 13 August

2.2 Credit Notes

Departments should ensure that all relevant credit notes are raised by **Tuesday 3 August**. Credit notes raised on 2 or 3 August will need the accounting and transaction date changing to 31 July 2021 to be included in the 2020/21 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 13 July**. Any received after that date will be processed in 2021/22.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
2.3.1	Refunds due need to be requested by departments to the Credit Control (AR) team.	-	Tuesday 13 July
2.3.2	Check that the line status has moved to 'closed' for all fulfilled sales order transactions	-	Tuesday 3 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 2021 and compare them to the same period in 2020 and to 31 July 2021 year end. The forms have been sent to departments pre-populated with figures for 2019/20 and 2020/21; the form must be returned to the External Trading team by **Tuesday 29 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 yearend21@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 26 July if they are to be included in 2020/21 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.

Cashiers are now working on site every day (not full staff) and are banking cash for a limited number of departments (mainly those who have visitors such as the museums).

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 28 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 28 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 2020/21	-	Friday 16 July
3.1.2	Forward Sterling cheques to the Cashiers Office for processing	-	Friday 26 July
3.1.3	No cash collection for inclusion in 2020/21	Note	Not happening this year
3.1.4	Final day for Card Terminal and PDQ receipts to be processed for inclusion in 2020/21	-	Tuesday 27 July
3.1.5	Final day for on-line store transactions to be included in 2020/21.	-	Tuesday 27 July

3.2 Petty Cash

As for 2019/20, there will be no reimbursement of petty cash this year end.

Departments should do their reconciliations for petty cash if possible, without doing a claim. Petty cash is not material.

Any petty cash expenditure coded against departments' projects suspense codes should be recharged to the relevant research project by **3pm on Thursday 5 August**. All petty cash transactions should be cleared from account 61115.

DEPARTMENT ACTION		RELATED SECTION	DEADLINE
3.2.1	Submit final petty cash reimbursement claims to Cashiers Office	Note	Not happening this year
3.2.2	Charge to research projects any petty cash expenditure coded against projects suspense code	-	Thursday 5 August
3.2.3	Complete and return petty cash declarations form to Cashiers Office	-	Friday 13 August

4 Purchasing and Payments

4.1 Receipt of Goods/Services

All invoices processed by 31 July will be included in 2020/21. Invoices should be sent to the Payments team by **Tuesday 27 July** to ensure they are processed by 31 July. AP will close at 8am **on Monday 2 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 2021**.

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 Monday 3 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 5 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 2020/21 (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 27 July and processed by 31 July.
- utility bills where the bulk of the bill relates to 2020/21 (e.g. an electricity bill for 27 May 2021 to 26 August 2021)
- Casual Payroll costs after the deadline of Monday 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	Final date for invoices, expenses and PRF's to be received by the Payments Team for payment in July. Payments go out on 23 rd for credit to suppliers early the following week	-	Tuesday 20 July
4.1.2	Ensure all invoices are sent to the Payments team by Tuesday 27 July for central team input by 31 July. Departments who process AP invoices can continue until end of 31 July.	-	Tuesday 27 July/ Friday 30 July
4.1.3	Ensure that goods/services delivered are recorded against Oracle Financials POs (including partial delivery)	-	Friday 30 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	-	Monday 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	-	Thursday 5 August
4.1.5	Post Accruals Expenditure to account 22100 when not picked up through Oracle Financials GRN process	-	Friday 13 August

The Oracle Financials Purchasing and AP modules for the July period will be closed at **8am on Monday 2 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 2020/21 is **Tuesday 27 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 2020/21 will include items received by the Payments team up to **5pm on Tuesday 20 July**.

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	-	Friday 13 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 **Monday 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 13 August 2021 send to yearend21@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 13 August 2021 send to yearend21@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 Monday 5 July** will be included in 2020/21. 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 2020/21)		12:00 Monday 5 July
5.2	Submit Payroll Forms and leavers and starters to Core to be included in 2020/21	-	17:00 Monday 12 July
5.3	Payroll posted to General Ledger and Project Module	-	Tuesday 27 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 Cosette Jamous by 6 August 2021.

The last day of stock adjustments is 18 August which is the departmental General Ledger close day.

6.1 Stocktakes

- Departments should carry out physical stocktakes only if this can be done in a COVID-secure way.

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 5 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 2020/21 financial year in the Projects module, you should ensure that:

- the journal has been released by 3pm on Thursday 5 August 2021
- the Expenditure Item Date (EID) for each journal line is dated 31 July 2021 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 5 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 **Tuesday 2 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: <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 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 5 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 5th 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. This confirmation will replace the year-end form YE11 which was used for this purpose in previous years.

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 6 August (end of day)** Research Accounts will provide departments with a summary of costs by Pre-Award task.
- By **Friday 12 August** you should confirm your pre-award balances to Research Accounts.

7.5 Projects – Advances

- By **Wednesday 30 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 **16 July** receipts of any unspent advances must have been sent to the Cashiers Office.
- By **Tuesday 27 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 GRN Accruals

GRN accruals relating to projects will be posted centrally by the Research Accounts team on **5 August**. On 3 and 4 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 18 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 2020/21 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 30 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	-	Friday 30 July
9.2	Selling departments: ensure that all invoice holds are cleared	-	Friday 30 July
9.3	Selling departments: enter and complete invoices for all fulfilled internal sales up to and including 31 July	-	Friday 30 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	-	Friday 10 September
10.2	Submit final reserve figures to Financial Reporting	-	Friday 24 September
10.3	Reserves posted to departmental accounts in account 99949 for actuals but not budgets	-	Friday 8 October

Please note that for 2021/22 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 July to review your June departmental accounts and check the following:

The donations you expected to receive during 2020/21 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 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 6 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 13 August**.

The final adjustment will be made to the donation deferral in advance of the GL close on **Friday 27 August**.

12 Furlough

A furlough accrual for July month will be posted into departmental accounts before the July General Ledger close. Please note that if a member of staff on furlough is normally charged to a trust fund or to a donation then the cost should be moved off the B or C SOF and on to SOF 00000 to match the grant income. It is not possible to add furlough grants to trust funds or donations. For external trade activity 25 is correct to match the employee costs to the government support through furlough. This would be for limited areas such as Museum shops. In which case the Department should journal the furlough credit to activity 25 from activity 00 to match the staff cost charge.

13 Holiday Pay

As part of the year end accounts, a calculation of outstanding holiday pay has to be made. It has been agreed with KPMG that there is no need for a sample this year.

YEAR END CONTACTS

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

YEAR END FORMS

The year end forms used for 2020/2021 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.web.ox.ac.uk/financial-year-end>

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 yearend21 mailbox by **13th 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 yearend21 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 yearend21 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 13th 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.