Feinberg School of Medicine
FY2014 Closing Procedures

Presented to: Department Administrators and Financial Administrators

Date: August 21, 2014
Agenda

FY15 Budget Process Updates
• Final Budget Approvals and Clean-Up Activities
• Faculty Hiring Plan

Staff Merit and Position Approvals

FY14 Fiscal Year Closing Policies and Procedures
• Funding of Cost Share
• Covering Deficits (Transfers vs. Rev/Exp Corrections)
• Dean’s Commitments
• Integration Endowments
• Transferring NMCAT
• Creating Receivables
• Understanding Year End Carryforwards
• Helpful Financial Reports to Assist with Close

General Reminders and Updates
FY15 Budget Updates
FY15 Budget Letters and Approvals

• Thank you for your assistance with the FY15 budget!

• FY15 Budget Letters will be sent next week.

• Letters will include the following approvals:
  • FY15 Appropriation and Earned Education Pool amounts
  • FY15 Approved Operating Budget
  • FY15 Approved Fund Balance Spending
  • SBR request outcome (exclusive of faculty hiring plan requests)
FY15 Budget Cleanup Activities

• FY15 budgets submitted by depts in NUPlans have been uploaded to NUFin and are available for viewing.

• Appropriation adjustments will be made by FSM once letters have been sent.

• We will be in touch with departments requiring additional budget cleanup.
FY15 Faculty Hiring Plan

• Faculty hiring plan currently under final review.

• Final plan expected to be sent to Provost in September.

• FY15 faculty hiring plan approvals, and any Academic Program funds requested to support hiring plan, will be communicated after plan is approved.

• You will be able to submit pre-search requests for approved budget positions after that time.

• For questions, please contact either Marcie Weiss (hiring plan) or Christy Wirig (budget).
Staff Merit and New Positions Approvals
Merit Approvals

- Staff Salary Plan upload completed.
- Review your department and notify Annette Czech of any errors by Friday, August 22.
- Employees can print own increase letter from Self-Service, starting 9/2.
Promotion Requests

All promotions should have been sent to HR for review.

HR approval will be sent to Departments and Deans’ Office.

Once Departments indicate ability to fund, then promotions are approved.

Questions – contact Kathleen Dunne Balducci
dunne@northwestern.edu
312-503-1338
FY14 Close - Timeline

Important dates:

- Aug. 29th last day to do budget journals in portal.
- Aug. 29th last day to submit chartfield requests for FY14 to Accounting Services.

- Sept 3rd last day for any FY14 Invoice, Expense report and Online voucher documentation to reach FSM for approval.

- Sept. 15th FSM spreadsheet journal deadline – NU deadline Sept. 17th 10AM.

- Sept 18th FSM portal journal deadline – Sept. 22nd (5 PM) the portal is locked, all unapproved journals are deleted.

- October 7th final fiscal year 2014 reports are available.
FY14 Close – Important Reminders

Important Reminders Related to FY14 Close:

• All deficits on individual chartstrings must be funded.

• No movement of carryforward balances will be allowed.

• For any strings that you want closed in FY15, please have the forms to us by 9/15. They may still appear in reports if you didn’t mark as inactive in NUPlans Budget.

• Deficits can be covered by correcting expenses to other strings or by correcting revenue (with some exceptions).
FY14 Close – Important Reminders

• A/R journals can be done (after 9/1) for invoices that were sent out in FY14 but weren’t paid in FY14.

• All cost share (192) chartstrings must be covered.

• Make sure you use the correct fiscal year on journals.

• Please make sure all P-card charges have been corrected off of account 75695.
FY14 Close – Important Reminders

Be mindful of your Control Budget!!

• Be mindful of your control balance as you do transfers.

• If you are going to exceed your controls because of close activities, please contact us in advance.

• You can monitor your control balance on the report that is emailed to you on the 1st of each month or in NUFIN’s budget overview. Instructions are posted to SharePoint.
Funding Cost Share Strings (192)

• All cost share strings must be covered.

• Please use transfer codes 88295 / 88595 regardless of the fund type that the transfer is coming from.

• Unless the grant has ended, it may be better to wait until the August payroll hits.

• If there are 15 lines or more, the transfer can be done as a spreadsheet journal, provided you have a spreadsheet journal mask in your department.

• Please be mindful of your control budget. These transfers count against your control balance.
Covering Deficits

• All deficits on all non-sponsored, non-recharge (fund 160) chartstrings must be covered.

• Please consult the GL068 report to see the balances on your chartstrings (use Cumulative Surplus/Deficit column).

• There are three ways to cover the deficit on a chartstring:
  • Submit a correction journal to move non-payroll expenses off of the overspent string to another string that has a positive cumulative balance.
  • Submit a correction journal to move many types of revenue to the string with a deficit (never gifts, endowment payouts, or NMCAT transfers).
  • Submit a transfer journal (revenue / expense) to move revenue into an overspent string (no transfers into gifts or endowments).
Covering Deficits (cont’d)

• Of these three methods (expense correction, revenue correction, transfers) only the third creates added expense and takes away from your control balance.

• Please direct spend gifts and endowments. You may correct expenses onto a gift or endowment as long as the expenses are in line with the donor’s intent.

• If you have to transfer from an endowment or gift, never use the description “to cover a deficit in (whatever chartstring)”. These will be sent back. Please list what is being covered (i.e., “to cover research expenses of the professorship holder”).
Dean’s Commitments

• Departments must request to have Dean’s commitments, or NMH grants, transferred to their chartstrings.

• Please include a GL005 for the chartstring(s) showing the expenses that the commitment or NMH grant is funding.

• Request by sending an email to your financial administrator & Marsha McClellan.

• Please wait until all expense that is being funded has hit the chartstring so we don’t have to do two transfers for the same commitment.
Clinical Integration Endowment Income

• Income from discretionary endowments will be transferred to departments.

• Departments with named clinical integration professorships will also receive the associated income.

• We will be reaching out to you next week to ask which chartstring you would like the funds transferred to.
NMCat Transfers

• NMCat transfers will only reimburse eligible FY14 expenses.

• All NMCat expenses from NMHC-funded grants should hit your NMCat chartstrings.

• It is recommended that no other revenue hit your NMCat chartstring; however, if it does, it will offset the amount of your NMCat transfer.
How to calculate your FY14 NMCat Transfer

Your FY14 NMCat transfer will be calculated using the following formula:

FY14 Eligible Expenses - FY14 Beginning Carry Forward = FY14 Transfer

* If external revenue appears on your main NMCat chartstring it will offset the amount of the transfer.

** If you have authority to transfer NMCat revenue to cover expenses in other chartstrings (i.e. based on the nature of the grant), documentation of the deficits in other chartstrings is required.
FY14 NMCat transfer: DA responsibilities

In early August DA’s were asked for estimates for FY14 NMCat transfers.

In preparation for year-end, we are requesting your assistance with the following:

1. Where relevant, move all eligible expenses to your NMCat chartstrings before August 28th.

2. When no further expenses are expected, email Geneviève Comeau with your final FY14 transfer amount, chartstring(s), and relevant back-up.
NMCAT – Best Practice Reminders

• Each NMCAT grant from NMHC should have a separate, “NMCat”- identified 172 chartstring.

• All relevant expenses should be charged directly to the NMCat string. Transfers are discouraged unless a business case has been made in advance, and prior approval has been given.

• Upon completion of your annual stewardship report you should be able to clearly identify NMCat expenses in all chartstrings and be able to speak to the results of those activities.
NM Cat FY14 Stewardship Reports

• Stewardship Reports are due to NMH 90 days after FY close.
• The reporting format will be similar to last year.
• Financial information reported on your stewardship report should tie to your NM Cat chartstring(s) in NU Financials.
• Include financial information about all expenses incurred in FY14 including carry forward.
Receivable Journals (ARs)

Receivable journals may be done to post revenue in the same year that expense was incurred. Some guidelines:

• Must be for $5,000 or greater.

• Must be done as an upload journal, sent to our office.

• Must have all backup; if there is a lot of backup please provide a summary.

• Invoices must be dated 8/31/14 or earlier.

• If you already have the check (which arrived after 8/29) include a copy.

• Payment must be reasonably assured - if the invoice is 6 months old and you aren’t having luck in collecting, don’t do a receivable.
How to Do Receivable Journals (ARs)

- A/Rs are to be done on spreadsheet journals (available here http://www.northwestern.edu/financial-operations/policies-procedures/finance/financejournalupload.html).

- The first line has your fund, dept id, project id, activity code (if appropriate), chartfield 1 value 1371, and the appropriate revenue account with the amount as a credit.

- On the second line, if the first line is a fund 110 or 160 (a chartstring without a project id) use fund 110 or 160 and account 11102 only. If the first line has a project id, use the fund from line 1, the project id, activity code, and account 11102. The amount should be a debit.
How to Do Receivable Journals (ARs) (cont’d)

• You do not need to do an entry to reverse the A/R in FY15. This part of the journal will automatically be done for us.

• When you deposit the payment in the new year please use the same chartstring that you booked the receivable to, and please use chartfield 1 value 1371.
Understanding Year End Carryforward

• Your carryforward will be equal to your cumulative surplus or deficit at the end of the year.

• The calculation for year end carryforward is:
  Beginning carryforward balance + (revenue actual – revenue budget) + (expense budget – expense actual).

• Carryforward balances will not appear until 10/6.

• If your carryforward is less than the carryforward you budgeted using (balance on 88992) we will ask you to change your budget.
Helpful Reports for Close

- GL068 – Use either the Cognos or the Ad hoc version. The column Cumulative Surplus / (Deficit) will be your carryforward. If this column shows a deficit, you need to cover it.

- GL008 – Will give you the detail you need if you want to see why you are in a deficit and will help you correct revenue or expense if appropriate.

- Control Balance by Chartstring by Department or Division found in our ad hoc folder (Public Folders > Finance Facilities and Research Administration > NUFIN Ad Hoc Reports > Provost > Feinberg School of Medicine > Office of Finance and Administration > Control budget reports) is the same report that you receive monthly. The information is always a day old.

- You can also see your control budget and balance in NUFIN in Budget Overview, which is real-time data. Detailed instructions are available in SharePoint and on our website.
General Reminders and Updates
Salary Reminders

• FASIS:
  - Deployment deadline for all FY14 payroll journals including clearing SUSP needs to be submitted in FASIS by Wednesday, August 27th.

• Kronos:
  - Supervisors must approve non-exempt employees in Kronos-many departments are not doing this and it has became a problem. If you are the only supervisor assigned, please designate a backup approver.
General Reminders

• Vendor Requests for NMH:
  • Payments from NMH and NMG are handled through a monthly wire to Finance and Administration- we allocate the payments out to the departments.
  • Please do not request Accounting Services to add new NMH addresses, there is only one NMH vendor and address.

• Exceptions on Expense Reports:
  • Please give clear and concise explanations on why you are requesting an exception to policy.
General Reminders

• Who Should I Contact for Questions on Budget, Finance, Administration, Salary?

• The Finance and Administration team! We can answer a majority of your questions and if we can’t we will get them for you or direct you to the appropriate Central staff.

• If you have suggestions or ideas on reporting, enterprise systems, salary planning or concerns, please bring them to us and we will advocate on FSM’s behalf.
FASIS Updates

• FASIS team has been busy this year. Here are some of improvements/updates that will be implemented:

• Additional Pay forms to go online by the end of this year! Entry and approvals of additional pays will be done in FASIS.

• Summer salary will be next to go online- Go live date TBD.

• In the future, appointment and position forms will be completed online.
FASIS Reporting Updates

• PED reports (Vista payroll) are available in Cognos:
  • Currently available by Chart of Accounts Summary or Chart of Accounts History.
  • Run by school/area or chartstring field or individual chartstring combination
  • Working on incorporating more prompts: HR Department ID, Name or EmpID.
  • Working on rolling out a salary history report in near future.
Questions?