Feinberg School of Medicine
FY2018 Closing Procedures

Date: August 15, 2018
Agenda

- Finance and Administration Updates
  - Welcome Natalie Chhim
  - Finance and Administration’s general e-mail
  - FY19 Budget Letters
  - HR Newsletter

- FY 18 Fiscal Year Closing Policies and Procedures
  - Funding of Cost Share
  - Covering Deficits (Transfers vs. Rev/Exp Corrections)
  - Commitments
  - Dean’s Commitments
  - NMH Grants
  - Clinical Chair Discretionary
  - NMCAT & NMGrant
  - Creating Receivables
  - Understanding Year End Carryforwards
  - Helpful Financial Reports to Assist with Close
General Updates
General Updates

- Welcome Natalie Chhim, Financial Coordinator in Finance and Administration. You can reach her at: natalie.chhim@northwestern.edu or 312-503-1247.

- Feinberg Finance and Administration has a new general e-mail, FinanceandAdministration@northwestern.edu. Please use this e-mail for 90 day exceptions, policy exceptions for expense reports, chair expense reports, and contracted services forms >$5k.

- Charitable Donations forms and Contracts requiring Finance and Administration’s signature should be routed to Casey Reynoso at: casey.reynoso@northwestern.edu.

- HR Newsletter
  - Online form submission is on hold for FSM users
  - Changes to off-cycle payroll process: items that will be paid on off-cycle:
    - Historical bi-weekly hours entered in Kronos
    - Additional pay with University paid taxes (gross-ups)
    - International independent contractors
    - Vacation pay outs to terminated employees
FY19 Budget Updates
• Thank you for your work on the FY19 Budget!

• Final Budget Approval Letters will be sent by end of August.

• Letters will include the following approvals:
  - FY19 Appropriation and Earned Education Pool amounts
  - FY19 Approved Operating Budget
  - FY19 Approved Fund Balance Spending
  - SBR request outcome (exclusive of faculty hiring plan requests)

• The budget that your department submitted in NUPlans has been uploaded to NUFin and is available for viewing.

• We will be in touch with departments requiring adjustments to carryforward budgets.
Staff and Faculty Merit
Staff Merit Approvals

• Staff Salary Plan upload completed.

• Departments can communicate the increases that are in the system to employees.

• Employees can print own increase letter from Self-Service, starting 8/26.
  • NEX merits effective 8/26/18
  • EXS/ITS merits effective 9/1/18
Faculty Merit Approvals

- Faculty Salary merits have been uploaded into myHR; approvals will be communicated to departments by e-mail today.

- Please be sure to run a query to verify merits **before** communicating to faculty and staff.
FY18 Closing Policies and Procedures
FY18 Close - Timeline

Important FSM dates:

Aug 29th  - Last day to do budget journal in portal.
Last day to submit chart field requests for FY18 to FSM.
Last deployment deadline for payroll journals entry into
myHR for 8/31/18 General Ledger (must be entered by noon).
Payroll journals for myHR SUSP clean-up should be done by this date.
Last date for FY18 Requisitions to be approved.

Sept 4th   - Last day for any FY18 electronic submissions (expense reports, payment
requests) and paper submissions with documentation to reach FSM for
approval.

Sept 10th  - FSM spreadsheet journal deadline – NU deadline Sept. 11th 10AM.

Sept 12th  - FSM portal journal deadline – Sept. 14th (5 PM) the portal is locked, all
unapproved journals are deleted.

Sept 19th  - Payroll Registers- To verify September merit increases will be
available by noon on myHR dashboard on September 19th. Any
corrections are due
back to Finance and Administration September 20th by 12:00 pm.

Sept 24th  - Final FY18 reports are available.
FY18 Close - Timeline

THERE IS ONE LESS WEEK TO DO ALL OF YOUR CLOSING ENTRIES THIS YEAR - PLEASE START AS SOON AS POSSIBLE!

Things you can start now-

• Funding cost share chartstrings.

• Make sure all outstanding invoices have been sent out.

• Request Dean’s commitments, NMCAT on non-NMCAT strings, & NMH grants (if you won’t have additional expenses or the commitment is fully spent this year).

• Request Clinical Chair discretionary funds (if applicable).

• Start funding chartstrings which are in a deficit.
FY18 Close – Important Reminders

Important Reminders Related to FY18 Close:

• All deficits on individual chart strings must be funded.

• In the new fiscal year no movement of carryforward balances will be allowed.

• For any strings that you want closed in FY18, please have the forms to us by 8/29 (with GL005 showing a zero balance). 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).

• A/R journals can be done (after 9/1) for invoices that were sent out in FY18 but weren’t paid in FY18.

• All cost share (191, 192, 193) chart strings must be covered.
FY18 Close – Important Reminders

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

• Please make sure all P-card charges have been moved from My Wallet to appropriate chartstrings before 9/1/18. Any unreconciled transactions over 90 days, card will be suspended.

• 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 (191-193 funds)

• All cost share strings must be covered.

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

• 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 (if not your financial administrator in our office can submit for you).

• 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) chart strings must be covered.

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

   There are three ways to cover the deficit on a chart string:

   1. Submit a correction journal to move non-payroll expenses off of the overspent string to another string that has a positive cumulative balance.

   2. Submit a correction journal to move revenue to the string with a deficit (never gifts, endowment payouts, or NMCAT transfers).

   3. 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 chart string)”. These will be sent back.

- Please list what is being covered (i.e., “to cover research expenses of the professorship holder”).
Dean’s Commitments, NMH Grants, and Clinical Chair Discretionary Funds

Dean’s Commitments and NMH Grants

- Departments must request to have Dean’s commitments, or NMH grants transferred to their chart strings.

- Please include a GL005 for the chart string(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 has been incurred so we don’t have to do multiple transfers for the same commitment.

Clinical Chair Discretionary Funds

- Please request these funds from your financial administrator; no GL005 is needed.
NMCat Chart strings

• Transfers to NMCat-identified chartstrings will be made automatically.

• Review NMCat chart strings and process expense adjustments to the chart strings before August 31st.
  (Don’t forget cost-share!)

• Your FY18 NMCat transfer will be calculated with this formula:

  \[ \text{FY18 Transfer} = \text{FY18 Expenses} - \text{FY18 Beginning Carryforward} - \text{FY18 Actual Revenue} \]

• All NMCat chart strings will be funded via an upload journal no later than September 11th.

• The goal is to avoid any buildup of carryforward in NMCat chart strings.
NMCat – Non-NMCat Chart strings

• Departments must send an email request to have NMCat funds transferred into non-NMCat chart strings no later than August 31st.

• Email your financial administrator & Melody Delfosse with the following information:
  • Grant name
  • Pool (General, R&E, Dept., Clinical or Recruitment)
  • Transfer Amount
  • Recipient chart string(s)
  • GL005 to show the expenses being funded

• Tip: Consult the Commitment Budgeting Prep File in NUPlans Web to find the Grant name & Pool for each grant.
NMG Department Resources

- **Academic Mission Balances** – Included as NMCat commitments. Transfers must be requested.

- **$1 Million Discretionary** – Included as NMCat commitments. Transfers must be requested.

- **Integration Discretionary Endowments** – Income has been deposited in your clinical integration discretionary (CID) endowment spending chartstrings.

- **Integration Endowed Chairs** – For endowed chairs that have been filled, income has been deposited in the endowed chair chartstring.

- **Clinical Chair Discretionary Funds** – Transfers must be requested.
Receivables
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 (if done after 9/10 must be for $25k or greater).

• Must be done as an upload journal, sent to our office (does not need to meet the 15 line minimum).

• Must have all backup; if there is a lot of backup please provide a summary sheet that references the page numbers of the invoices, and the journal line number.
  (i.e., Invoice 3477, backup pg 11, journal line7)

• Invoices must be dated 8/31/18 or earlier.

• If you already have the check (which arrived after 8/31) include a copy.

• Payment must be reasonably assured - if the invoice is 6 months old and you are not having any success in collecting payment do not do an AR.
The first line has your fund, dept id, project id, activity code (if appropriate), chart field 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 chart string 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.

You do not need to do an entry to reverse the A/R in FY19. This part of the journal will automatically be done.

When you deposit the payment in the new year, please use the same chart string that you booked the receivable to, **and please use chart field 1 value 1371**.
## Receivable Journals (ARs) - Example

### Actuals Journal Entry Form

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<th>Journal Mask</th>
<th>Journal ID</th>
<th>Journal Date (MM/DD/YYYY)</th>
<th>Audit Entry &amp; Ledger (Accounting Services Use Only)</th>
<th>Journal Source</th>
<th>Jnl Header Reference</th>
<th>Header Description</th>
<th>Journal Purpose</th>
<th>Journal Total</th>
<th>Required Fields Check</th>
<th>Output to Text File</th>
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<td>ASC</td>
<td>Dept AR</td>
<td>Fy18 A/R</td>
<td>COR-Revenue to Revenue Correction</td>
<td>$0.00</td>
<td>OK</td>
<td></td>
</tr>
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</table>

<table>
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<th>ChartField1</th>
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<th>Amount</th>
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</tr>
</tbody>
</table>

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**Instructions:**
1. Open the file as an Excel Macro-Enabled Workbook and click Enable Content in the file.
2. Click File > Save As. Rename the file with your mask, department name or unique identifier and date then Save file as Excel Macro-Enabled file (XLSM).
3. Enter the required Jnl Header information: NetID, Mask, Journal Date (month of posting), Header Description, and Journal Purpose. Jnl Header Reference is optional.
4. Select your Journal Purpose. Click on the drop-down arrow contained within the Journal Purpose entry box to select the purpose of the journal.
5. Enter journal line information. As you type each new line, the line number will automatically populate. If applicable, any Journal ID related to the transaction lines should be listed in Line Description. Any date of service or good related to your transaction line should be indicated in the Line Description.
6. Verify the line totals balance (Journal Total = $0.00).
7. Verify the Required Fields Check box = OK. If it does not = OK, required header information is missing.
8. When the spreadsheet is complete, save the file again (verify the extension is XLSM). Template Colors: Gray = Informational, White = Data entry cell, Purple = Acct. Services only.
Carryforwards and Helpful Reports
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:

   \[ \text{Beginning carryforward balance} + (\text{revenue actual} – \text{revenue budget}) + (\text{expense budget} – \text{expense actual}) \].

• Carryforward balances will not appear until 9/24.

• If your carryforward is less than the carryforward you budgeted to use (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 (or Ad hoc Transaction Detail YTD)** – 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.
Questions???