

COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

FINANCE DIVISION

TO: Senior Administrators

FROM: Barbara Hough, VP, Controller and Treasurer
Hugh Horowitz, Executive Director, Purchasing Operations
Richard Mead, Executive Director, Accounts Payable

DATE: April 24, 2017

SUBJECT: Fiscal Year 2017 Transaction Processing Guidance (June 30, 2017)

This memo outlines transaction processing procedures as related to key areas critical to the FY17 fiscal year close. A separate memo, “Fiscal Year 2017 Year-End Close Deadlines”, contains the key dates for the FY17 close. This information is also available on the Finance Division’s website at <http://finance.columbia.edu/content/fy17-year-end-closing-guidance>. Additional information regarding job aids, reports and queries to assist with year-end transactions is also available on the Finance Gateway. In addition, a calendar including all deadlines referenced in this memo and the “Fiscal Year 2017 Year-End Close Deadlines” memo will be distributed and will be posted on the Finance Gateway.

This memo is organized by functional categories for ease of use. It begins with the Procurement section that provides guidance for all the related items from Accounts Payable, Purchasing, Vendor Management and P-card (items 1 – 5). The following sections contain information related to Payroll processing (item 6), General Ledger related activities, such as journal entry processing, cash receipt processing, and gift and endowment activities (items 7 – 10) as well as guidance on overdrafts and overruns (item 11). Year-end analysis requirements (item 12) are also included in the memo.

CUMC departments should also refer to the annual closing calendar which will be sent by Ting Shi via email on April 24, 2017. Unless otherwise noted below, CUMC departments should contact Ting Shi (ts2486@cumc.columbia.edu) regarding questions related to the CUMC closing process.

Most items in this memo have an identified contact person for inquiries. For further questions regarding year-end closing topics, please contact the [Finance Service Center](#). An incident or service request can be logged by using the [self-service web form](#) or contacting the Service Center by phone: 212-854-2122 during the following hours: Monday, Tuesday, and Thursday, 9:00 am – 5:00 pm; Wednesday 9:30 am – 5:00 pm; Friday 9:00 am – 4:00 pm.

1. REQUISITIONS, PURCHASE ORDERS AND CHANGE ORDERS

A. Requisitions, Purchase Orders, Change Orders

Purchase Requisitions Requiring Approval by Central Purchasing

All purchase requisitions that require approval by Central Purchasing in order to be encumbered in the current fiscal year must be submitted via ARC and the Electronic Document Management (EDM) system to Purchasing by 5pm on June 2, 2017 and must include the following:

- Departmental approval
- Any additional required prior approvals
- All required (supporting) documents uploaded and indexed through the Purchasing EDM system

Please note: during the year-end close process, open or pending requisitions with creation dates on or prior to June 2, 2017 that have not been departmentally approved will be cancelled and will need to be re-entered by the department. After June 2, 2017, it is important to note that, while schools and departments will continue to have the ability to create requisitions for the new fiscal year, no further old fiscal year purchase orders requiring central approval will be processed. The new fiscal year requisitions will remain in a pending status, i.e. they will not be reviewed by Purchasing until after the start of the new fiscal year, and the purchase orders created from those requisitions will create new fiscal year encumbrances.

Vendor Profile Create/Modify Deadlines

Schools and departments are encouraged to submit vendor profile requests well in advance of deadlines for associated transactions. Please plan on 3-4 business days to complete requests for vendor profile creations and modifications and have them ready for use in ARC. This time is necessary to allow for receipt of tax forms from vendors and to allow time for Vendor Management to follow up with the vendors and complete necessary validation steps. When completing the Vendor/Payee Request Web Form, please insert "Fiscal Year-End Transaction" into the Nature of Payment Description field (for profile creates) and Reason for Modification field (for profile modifications) to alert Vendor Management that the request is associated with a year-end transaction.

Change Orders Requiring Approval by Central Purchasing

All change orders that increase the purchase order total value or affect terms and conditions such as contract end date and, therefore, require approval by Central Purchasing, must be submitted via ARC and EDM systems to Purchasing by 5pm on June 2, 2017 and must include the following:

- Departmental Approval
- All required (supporting) documents uploaded, indexed through Purchasing EDM system
- Note: Final Purchase Orders that you are creating Change Orders for must be in a "Dispatched" status and have a "Valid" budget in ARC, otherwise these transactions will not be rolled forward and ultimately cancelled during the Purchase Order roll forward process.
- Note: While requisitions can be initiated after June 2nd, and go into a pending queue for processing in the new fiscal year, change orders on existing purchase orders cannot be initiated after June 2nd as these will put the existing P.O. into a pending status and the

change order will not route to Central Purchasing. The pending P.O. will need to be closed as part of the year-end process. Any urgent change order transactions after June 2nd should be submitted as a request to Central Purchasing through the Finance Service Center.

Purchase Orders That Require Only Departmental Approval (UwPA's)

Purchase Orders that require only departmental approval (and dispatch following departmental approval and successful budget checking) can be entered and approved in ARC up until the deadline for ARC access. These purchase orders will encumber in the old fiscal year.

Schools and departments should also be alert for any budget exception notices that are generated for transactions that fail budget check, as requisitions that fail budget check will not source into purchase orders and will not be included in the purchase order rollover process. The Budget Tool will remain available for budget updates.

Additionally, any Purchase Order that is not in an ARC "Dispatched" status will not be rolled forward to the new fiscal year and the Purchase Order will be closed.

Sub-Award Purchase Orders (SAPOs)

Sub-Award Purchase Orders budgeting requests must be submitted to their Financial Analyst in SPA/CTO prior to the deadline in order to allow enough time to review the request.

Financial Change Orders & Change Orders that Reduce Total P.O. Value

Financial Changes Orders, i.e. those change orders that change distribution on a purchase order within the total P.O. value, or Purchase Orders that reduce the total P.O. value – and therefore do not route to Central Purchasing for approval – must be initiated and receive departmental approval in ARC by the deadline to be included in FY17.

McKesson (formerly Physician Sales and Service/PSS)

The McKesson web portal will remain available for placing/approving orders and deliveries will continue uninterrupted. As McKesson orders are now completed in ARC, orders can be completed and approved in ARC up until the deadline for ARC access.

Staples

Staples Advantage web site will be available for placing/approving orders and deliveries will continue uninterrupted. Please note that there is a deadline for the last file feed from STAPLES to ARC for FY17. Transactions processed subsequent to the last file feeds from STAPLES will be posted in the new fiscal year.

Temporary staff processing

The Columbia University Temporary Staffing Office invoices for time worked in June must be approved in the TAMS (Talent Acquisition Management Solution) system. Invoices approved after this date and time will be recorded in the new fiscal year. To access the TAMS system, go to: <https://columbia.nextsource.com>. Should you have questions regarding information on accruing charges, please call the Columbia Temporary Staffing Office at 212-851-1414.

For questions regarding temporary staff processing please contact: Columbia University Temporary Staffing Office – Barbara Catalano (212-851-1414, bcatalano@columbia.edu).

2. INVOICES, CHECK REQUESTS, WIRE REQUESTS, TRAVEL ADVANCES/EXPENSE REIMBURSEMENTS

A. Clean Up of Vouchers in ARC

There are numerous vouchers in ARC that remain in a pending status and are over 3 months old. Most commonly, these are vouchers that:

- Have not been submitted into approval workflow or have been denied and not resubmitted into approval workflow
- Have not received departmental approval and/or had supporting documentation uploaded so have not routed to Central AP for review
- Have been placed “On Hold” by Audit & Review but not resolved by the department.
- Have been approved by Central AP, but have not been paid or posted to the GL due to an unresolved budget check error

Please direct all staff who initiate and approve vouchers in ARC to resolve pending vouchers. Please note that unresolved vouchers more than 3 months old will be closed in ARC as part of the year-end protocol and will no longer be accessible and will require the creation of a new voucher in order to complete outstanding transactions. Voucher Initiators should continue to be alerted to the weekly emails they receive on vouchers with pending statuses and to resolve them in a timely manner.

B. Non-P.O. Vouchers

Invoices & Check Requests

All non-P.O. vouchers for invoices and check requests that schools and departments require to be paid by June 30, 2017, should have Departmental Approval and have all required supporting documentation scanned into the EDM system by June 22, 2017. Since issues can and will occur, enter the vouchers early enough to allow Accounts Payable sufficient time to resolve any items placed on hold or that are denied and resubmitted. It will also allow schools and departments sufficient time to resolve any budget check errors that arise.

ARC users should continue to enter vouchers into ARC until the ARC access deadline at the end of June. Accounts Payable will continue to process vouchers as they become ready for review in ARC. Vouchers that have been entered into ARC, with invoice dates on or before June 30, but not yet approved, will be accrued through the automated ARC accrual process ensuring that these expenses are reflected in FY17. Please note that vouchers must pass budget check in order to be included in the ARC accrual process. Vouchers that fail budget check and are not able to be included in the ARC accrual process will need to be addressed through a manual accrual process with the Controller’s Office (detailed on the REVENUE/EXPENSE ACCRUALS section (item 8) of this memo).

Employee Travel/Business Expense Reports (TBERS)

For all non-P.O. vouchers for Employee Expense Reimbursements (done via Travel/Business Expense Reports or TBERS) ARC users will be able to continue to enter vouchers and Accounts Payable will continue to audit and approve vouchers as they become ready for review in ARC. These vouchers will continue to receive priority in processing, but it is expected that there will a significant increase in the volume of vouchers needing to be approved by Accounts Payable at the end of June, which may impact processing time. Voucher Initiators and Approvers are encouraged to submit these vouchers as soon as possible. Again, vouchers that have been entered into ARC, with invoice dates on or before June 30, but not yet approved, will be accrued through an ARC accrual process so that the expense is reflected as an FY17

expense. Please note that vouchers must pass budget check in order to be included in the ARC accrual process.

Employee Travel Advance Requests/Reconciliations

If a school or department is looking to obtain a travel advance for an employee for use in July, they should have Departmental Approval and have all required supporting documentation scanned into the EDM system by June 22, 2017.

All outstanding travel advances that must be reconciled by the end of FY17—i.e., travel started and finished in FY17, so the expense should be reflected in FY17—should have Departmental Approval in ARC, and have all required supporting documentation scanned into the EDM system by the ARC access deadline.

Vendor Profile Create/Modify Deadlines

Schools and departments are encouraged to submit vendor profile requests well in advance of deadlines for associated transactions. In general, ARC users should plan for 3-4 business days for vendor requests to be completed and approved in ARC. This time is necessary to allow for receipt of tax forms from vendors and to allow time for Vendor Management to follow up with the vendors and complete necessary validation steps. Please assist Vendor Management by ensuring prompt responses to email notifications, as delayed responses will delay completion of requests. When completing the Vendor/Payee Request Web Form, please insert “Fiscal Year-End Transaction” into the Nature of Payment Description field (for profile creates) and Reason for Modification field (for profile modifications) to alert Vendor Management that the request is associated with a year-end transaction.

C. Wire Transfers

All vouchers (P.O. and Non-P.O.) paid via wire transfer, i.e. with the Location of “WIRE” in ARC, route to central Accounts Payable. In order to ensure that a payment is posted to FY17, schools and departments should have Departmental Approval and have all required supporting documentation scanned into the EDM system by the June 22, 2017. This will give central Accounts Payable sufficient time to audit the voucher, resolve any Hold issues, and enter any adjustments for currency exchanges for disbursements in foreign currency. It will also give departments time to resolve any budget exceptions. Schools and departments should be sure that the vendor profile is set up for a WIRE location in ARC and that the WIRE location has been selected for the voucher.

D. P.O. Vouchers

P.O. vouchers do not route through Central Accounts Payable. They will post to the GL and be picked up in the nightly pay cycle once the voucher successfully matches the P.O., is approved by the department, and passes budget checking. Again, it is important to note that these P.O. vouchers must successfully match and pass budget checking in order to pay and post, so schools and departments are urged to closely monitor the statuses of these vouchers. Please note: P.O. vouchers that have not been departmentally approved and / or have not passed budget check by the year end cutoff will be deleted and will need to be re-entered by the department. Schools and departments will be able to enter and approve P.O. Vouchers until the ARC access deadline.

E. Journal Vouchers

Journal vouchers are required to be used to process any necessary adjustments to a ChartString for vouchers that have already been posted and therefore cannot be modified. When a journal

voucher affects a sponsored project, the initiator will be prompted by ARC to complete the Internal Transfer Justification Form. The journal voucher will be routed to SPF for approval when the original voucher has aged more than 90 days from the month in which the voucher accounting date falls. Journal vouchers are processed within the procurement module in ARC and are subject to the same processing deadlines as AP Vouchers.

Variance Tolerance and Change Orders

Schools and departments should confirm there is a sufficient balance in the open commitment on any purchase orders associated with vouchers in ARC (or vouchers that will be entered in ARC). Schools and departments are reminded that there is a variance tolerance on purchase orders and should first see if the variance tolerance will accommodate the voucher expense. To determine the variance tolerance on a purchase order, please consult the Purchasing web site <http://finance.columbia.edu/procurement/purchasing> and the Helpful Link “Category Codes and Descriptions for ARC” which will provide a listing by category code of the variance tolerance by dollar amount and percentage (the lower of the two will always apply). P.O. vouchers entered after the deadline that require a change order for processing will not successfully match and will need to wait until the new fiscal year for Purchasing to complete the processing of the change order, so the P.O. voucher can then be processed, and will require a manual accrual process to be completed by the school or department.

3. P-CARD

All activity on the card with a post date of June 22, 2017 or earlier must be approved by Tuesday, June 27, 2017 at noon, in accordance with the standard monthly closing policy.

P-Card Reconcilers and P-Card Approvers are encouraged to verify and approve P-Card transactions on a daily basis after June 22, 2017. Approved transactions for this period will post to FY17.

All activity on the card with a “Staged” or “Verified” status as of June 30, 2017, but not yet approved, will be accrued to the P-Card default ChartString for FY17 as part of the year-end process. The unapproved transactions should be approved as part of the regular July P-Card close process. If you have questions, please contact the P-Card team at pcard@columbia.edu.

4. MANAGEMENT OF OPEN COMMITMENTS

As part of the fiscal year-end close process, it is essential that Purchase Order open commitments are affirmed to be brought forward into FY18. Deadline for affirmation of POs for rollover is June 2, 2017. Any purchase order created after the affirmation deadline will be considered affirmed and brought forward into FY18, if necessary.

Purchase Order Open Commitments

Schools and departments must affirm any P.O. open commitment that they wish to have brought forward into FY18. Only those P.O. open commitments that are affirmed and are in Dispatched status will be brought forward and available in FY18. The remaining open commitments (not affirmed) will be liquidated by Purchasing prior to the fiscal close and prior to the expensing of open commitments (see below), which occurs at year-end.

To affirm a PO for rollover, the preferred way to accomplish this is:

- Go to the PO Rollover Affirmations page in the Columbia Specific, Purchase Orders, Processes navigation
- Search for the desired P.O.s
- Select the P.O.s to affirm
- Update PO Roll Action to “Affirm”
- Click “Update Selected Rows”

Alternatively, this can be done one-by-one as follows:

- Go to the Add/Update POs page in the Purchasing module
- Click on the Header Details link
- Go to Available for Rollover field and change the value to Yes
- Click OK on the bottom of the page

Please note that to successfully roll forward s purchase orders, the following criteria must be met:

- A valid Department/Project combination in the FY18 budget must exist. Departments must clear budget checking exceptions on affirmed P.O.s and P.O.s created after the affirmation deadline
- All P.O.s must be in dispatched status
- Any additional exceptions on the P.O. Rollover Affirmations page must be resolved

Any P.O. with unresolved exceptions will be deleted prior to the fiscal close and prior to expensing of open commitments (see below for details on expensing of open commitments).

To assist schools/departments in their review of open purchase orders, the PO Open Commitment Report may be utilized. This report lists any purchase order open commitments for your school/department. The report can be accessed in the InfoView Procurement Reports folder accessed through the FDS reports link on the ARC Portal.

Contact: If departments have any questions on the management of open commitments, please email poclosing@columbia.edu.

Expensing of Open Commitments

Open commitments can be separated into three distinct categories: goods, services, and payroll. As part of the year-end closing process, open commitments for goods will be accrued if the account on the purchase order starts with a ‘6’ and the ‘due date’ is June 30, 2017 or prior. Open commitments for services or payroll will not be accrued. If an accrual is necessary for an open commitment related to services, it must be accrued manually (see Section 8, Revenue/Expense Accruals). Open commitments related to payroll will not be accrued.

Roll-forwards

Requests to roll forward expenses that resulted from the accrual of an open commitment can be submitted as follows:

Morningside and Lamont

Please submit the full ChartString, P.O. number, and the dollar amount, along with a short explanation of the reason for the roll forward to Eric Cho (212-854-3890, ec3159@columbia.edu).

CUMC

CUMC departments should submit their encumbrance rollover requests to Angela Orfanos (212-305-2215, ao2287@cumc.columbia.edu) in the CUMC Controller's Office. CUMC Controller's Office will distribute to CUMC departments the document format for submitting the encumbrance rollover request.

5. SIS FINANCIAL AID PROCESSING FOR STIPENDS AND REFUNDS

SIS generates interface files to create AP vouchers for stipends and refunds. Specific deadlines must be met to assure that activity processed in SIS will be transmitted to ARC. The cut-off for SIS files to AP is one day prior to the AP closing date. Processing will resume in the new fiscal year on the first business day in July.

PAYROLL

6. PAYROLL PROCESSING

Morningside and Lamont must submit paperwork for new employees to HRPC based on the pay calendar, which can be found at <http://www.hr.columbia.edu/paycalendar>. FFE time entry must also be completed by the dates on the calendar.

As payroll periods cross the fiscal year-end, certain payroll charges will be accrued when the payroll for the first pay date in FY18 is processed in ARC. The schedules for the weekly and bi-weekly payroll are below. The semi-monthly payroll does not require an accrual.

- Bi-weekly payroll – The entire bi-weekly payroll for the pay period ending June 25, 2017 will be processed into FY17 and recorded in ARC on the night of Wednesday, June 28, 2017. Five days of the bi-weekly payroll for the period ending July 9, 2017 will be accrued into FY17 and recorded in ARC on the night of Wednesday, July 12, 2017. Salary distribution changes related to this bi-weekly payroll may be processed through July 7, 2017.
- Weekly payroll – The entire weekly payroll for the period ending June 25, 2017 will be processed into FY17 and recorded in ARC on the night of Wednesday, June 28, 2017. The entire weekly payroll for the period ending July 2, 2017 will be accrued into FY17 and recorded in ARC on the night of Wednesday, July 5, 2017.

Unless otherwise noted, contacts for payroll processing are as follows:

- Morningside and Lamont – Millie Hayes (212-851-2831, mh2493@columbia.edu) or Gloria Valdez-Moreno (212-851-2808, gem2@columbia.edu)
- Medical Center – Lenny Ruiz (212-305-2258, lmr131@cumc.columbia.edu)

Payroll Suspense Processing

Each department is responsible for ensuring that their departmental payroll suspense is cleared of all charges. To review payroll suspense, use the PAC Payroll Suspense Detail Report. Please review the "PAC Suspense Report Job Aid" for guidance on how to run this report: <http://hr.columbia.edu/suspense-detail-report-job-aid>.

All payroll suspense items must be cleared by July 14, 2017. To enable the clearing of any suspense items that may post as a result of the processing of the 7/9/17 payroll, the Labor

Accounting (LA) system for FY17 Period 12 will remain open until 5:00pm on Friday, July 14, 2017.

Salary Distribution: Sponsored and non-Sponsored Projects

All salary distribution transactions must have final approval in PAC/LA by the dates set forth in the payroll calendars to be applied to the final June payrolls. If no new salary distribution is entered, payroll transactions will default to either the existing funding source(s) or payroll suspense and departments will have to complete cost transfers no later than the deadlines in order to be reflected in FY17. In addition, all salary distributions that are scheduled to be used in the new fiscal year should be reviewed. These ChartStrings must have valid budgets in order for the transaction to post properly.

Please note that requests to transfer salary costs over 90 days old onto sponsored projects will only be approved in extenuating circumstances (e.g., delay in project create due to late notification by sponsoring agency). “Administrative error,” “departmental turnover,” or “clear suspense” are not acceptable reasons for approving a salary transfer request. (Contact: Kristi Bazata at 212-854-1018 or klv2102@columbia.edu).

Salary Distribution: FY17 to FY18 Roll-Forward

- All salary distribution transactions that have final approval for the final June payrolls will be used for the roll forward into FY18.
- If no new FY18 salary distribution was entered, salary distribution profiles will roll forward based on the rules below:

Salary profiles that **will** roll over to FY18:

1. Employees who have a funding end date of 6/30/2017 and are being charged to non-sponsored projects.
2. Employees who have a funding end date greater than 6/30/17 (e.g. 9/1/2017) regardless of the funding source.

Salary profiles that **will not** roll over to FY18:

1. Employees who have a funding end date earlier than 6/30/17 regardless of the funding source (e.g., charged to a UR project but with an end date of 5/31/17).
2. Employees who have a funding end date of 6/30/2017 and are being charged to a sponsored project.
3. If an employee’s admin department changes effective 7/1; the old distribution will not roll forward.

Note: the roll-forward process looks at each allocation in a salary distribution. For example, an employee who has 50% of salary expense allocated to a non-sponsored project with a funding end date of 6/30 and 50% of salary expense allocated to a grant project with a funding end date of 6/30 will have only the 50% charged to the non-grant project rolled forward to FY18.

As always, we ask you to review all salary distributions for accuracy after the roll-forward process has been completed.

Departmental “Add Comp” Payments

Add-comp payments should be processed in PAC/LA by the dates on the Pay Calendar in order to be recorded in FY17. For add-comps that require paper forms, please refer to the

“Submitting Labor Accounting Forms” located at the following website:
<http://finance.columbia.edu/content/payroll-general-information>.

Contact: Millie Hayes (212-851-2831, mh2493@columbia.edu)

GENERAL LEDGER PROCESSING

7. INTERNAL CHARGES AND TRANSFERS

A. Charges by Administrative Units

To facilitate the year end closing process certain administrative units have accelerated the processing of their monthly or quarterly charges. Central charges and transfers will be made by the agreed upon dates. For questions regarding the internal transfer areas, please contact:

- Endowment Income – Jackie Erickson (212-854-9689, je2015@columbia.edu)
- Debt Service – Frank Lombardo (212-854-6784, fj11@columbia.edu)
- Human Resources – Robert Reiter (212-851-7059, rr52@columbia.edu)
- CUIT/Telecom and Desktop Support – Patrick Thompson (212-854-2321, pat@columbia.edu)
- Administrative Services – Antonella Contrera (212-854-9199, ac2854@columbia.edu) Student Financial Services and Registrar’s Office – Teresa Nunes (212-854-0263, tn2311@columbia.edu)
- Housing Services – Antonella Contrera (212-854-9199, ac2854@columbia.edu)
- Dining Services – Antonella Contrera (212-854-9199, ac2854@columbia.edu)
- University Event Management – Antonella Contrera (212-854-9199, ac2854@columbia.edu)
- Morningside Health Services – Antonella Contrera (212-854-9199, ac2854@columbia.edu)
- Animal Care – Carrie V. Golston (212-305-1075, cd2657@cumc.columbia.edu)
- MS Facilities – Daniella LaBella (212-854-8303, dg2470@columbia.edu)
- CUMC Facilities – Michael Choolfaian (212-305-1358, mc385@cumc.columbia.edu)
- Risk Management – Laura Schon (212-854-1063, ls2893@columbia.edu)

B. Other Known Charges and Transfers

The internal transfer module requires non-licensed entries to be approved by both the originating department and the department being charged or credited. Such entries should be initiated by the deadline to provide sufficient time for all parties to approve the transaction. These can be based on estimates or budget during the year, with a “true-up” at year-end. These transfers must include any known fund balance transfers between Budget Units that were included in the FY17 Current Estimate Submission. If you are expecting transfers to or from OMB, please advise OMB even if the exact amount of the transfer is not known.

C. Journal Entries that Affect Sponsored Projects

All GL journal entries or GL internal transfers that affect sponsored projects should have all department level approvals in ARC by the stated deadline in order to give SPF time to review the entry. Transactions of this nature that are intended to clear overruns are subject to an earlier deadline detailed in the close calendar and expanded upon below in the section “Overruns – Sponsored Projects”.

For questions regarding the above information please contact: Tamara Hamdan (212-854-1067, th2271@columbia.edu).

8. REVENUE/EXPENSE ACCRUALS

Revenue and expense accruals should be submitted as follows:

Morningside and Lamont

Requests for manual accruals should be submitted via email to Prema Aier (212-854-3517, pa2404@columbia.edu), Maria McElwee (212-854-7231, mm4038@columbia.edu) or Yelena Weiss (212-854-1022, yw2018@columbia.edu). Please include all supporting documentation with your request for accrual. Please note, requests for accruals should be submitted as soon as all necessary information to process the transaction is available. Departments may submit more than one request for processing.

CUMC

CUMC requests should be submitted electronically to Jane Tian (zt2125@cumc.columbia.edu) and Stacey Tsai (st2540@cumc.columbia.edu). *Please refer to the closing calendar which will be sent by Ting Shi via email on April 24, 2017 for additional details.*

Supporting documentation required (all locations)

- **All requests** must include a clear explanation of the reason for the accrual and the full ChartString against which the accrual should be recorded. All accruals will be reversed in FY18.
- **Revenue earned through June 30, 2017 but not recorded in ARC by June 30, 2017 must be accrued.** Requests must be accompanied by a copy of an invoice, or similar documentation (contract, letter, estimate, etc.), which indicates that the revenue being accrued was earned on or before June 30, 2017. The Controller's Office may request a copy of the check received. Revenue related to government grants and contracts and private gifts, grants and contracts cannot be accrued.
- **Expenses incurred through June 30, 2017 but not recorded in ARC by June 30, 2017 must be accrued.** Accrual requests must be accompanied by appropriate documentation indicating that the expense is related to FY17 and was incurred prior to June 30, 2017. The best documentation is an invoice from the provider of the goods or services, but we will consider requests supported by alternate documentation on a case-by-case basis. An accrual is not required for items expensed as part of the process to expense open commitments (see Section 6: Management of Open Commitments).
- **Revenue recorded or expenses incurred in FY17 that relate to FY18 or later must be deferred.** Requests for deferral should be accompanied by supporting documentation and FDS statements supporting receipt of funds, if applicable.

9. CASH RECEIPT PROCESSING

Morningside and CUMC

Cash batches must be received and accepted by the tellers in FY17 to be recorded FY17. Cash batches received and accepted by the tellers after 3:00pm on Friday, June 30, 2017 will be posted in FY18.

10. GIFTS AND ENDOWMENTS

A. Gift Transmittals

Morningside

Gift Transmittals for depositing gift income must be sent to the Office of Alumni and Development – Gift Systems by the deadline defined in the Fiscal Year 2017 Year-End Close Deadlines memo. Credit cards may be submitted in person or by fax to Gift Systems.

CUMC

CUMC departments should deliver their Gift Transmittals to the CUMC Controller's Office in order to meet the Office of Alumni and Development deadlines. Credit cards may be submitted in person or by fax to Gift Systems.

Contacts:

- Office of Alumni and Development– Larese M. Miller (212-851-7995, lm2137@columbia.edu) or Marisol Lopez (212-851-9751, ml2255@columbia.edu)
- CUMC Controller's Office–Katty Rodriguez (212-305-7356, kir2102@cumc.columbia.edu)

B. New Endowment ChartField Creation

ChartField requests to establish new endowments should be submitted in ARC, for review by the Office of Endowment Compliance. Please send any questions to endowmentadmin@columbia.edu.

Contact: Lana Zaykova (212-854-7121, sz2527@columbia.edu)

C. Endowment Decaps and Recaps

Schedules of endowment decaps planned for the FY17 close are due to Endowment Compliance in mid-April. If you have decaps planned for FY17 and have not submitted this schedule, please contact Jackie Erickson (je2015@columbia.edu) immediately.

All decap packages for endowments must be submitted to the Office of Endowment Compliance, endowmentadmin@columbia.edu. Requests for recaps must also be submitted to the Office of Endowment Compliance. Any subsequent changes to amounts previously submitted should be forwarded to the Office of Endowment Compliance and OMB as soon as they are known.

Instructions and forms for decaps can be found at: <http://finance.columbia.edu/content/basic-procedures>

Contact: Jackie Erickson (212-854-9689, je2015@columbia.edu)

OTHER ACTIVITIES

11. OVERDRAFTS AND OVERRUNS

A. Overruns - sponsored projects

An overrun on a sponsored project occurs when expenditures exceed the available budget. University policy requires that overruns be closely monitored and avoided wherever possible. As part of the year-end closing process, Sponsored Projects Finance (SPF) conducts a detailed review of all overruns. Communications distributed to departments by SPF in the months leading up to year-end close list sponsored project overruns and emphasize that they must be removed or justified by the stated deadline.

Acceptable overrun justifications include a documented sponsor commitment that additional funds are forthcoming, a copy of correspondence with Sponsored Projects Administration (SPA) highlighting that a project-budget will be increased in excess of the overrun, or documentation of another exception deemed acceptable by SPF. If none of these apply, the department should remove specific costs from the project or initiate a GL internal transfer moving the overrun* to a non-sponsored project. These transactions must be initiated and have obtained all department level approvals by the stated deadline. SPF will clear any unjustified overrun that exists after the deadline to an unrestricted departmental funding source.

*An overrun-clearing GL internal transfer should credit natural account 70435 on the sponsored project for the direct cost portion of the total overrun, and debit natural account 75435 on the non-sponsored project for the same amount. Once the direct cost portion is removed, the associated F&A costs will be removed automatically.

Contact: Tamara Hamdan (212-854-1067, th2271@columbia.edu)

B. Overdrafts – non-sponsored projects

Schools and departments should review overdrafts in ARC projects on at least a quarterly basis. All schools and departments are expected to clear their overdrafts by year-end.

The following should be considered when clearing overdrafts:

- Expected internal funding: all interdepartmental transfers should be updated quarterly and these should be completed by year end;
- Expected external funding: external funds not received by June 30th should be accrued following guidelines in Section 8 of this memo;
- Identify and address any remaining year-end deficits with OMB.

In order to assist your review, please use the reports in the Fund Balance/Overdraft Reports folder accessed through the FDS reports link on the ARC Portal.

If you expect a project to be in overdraft at the end of the year, you must provide OMB with a plan for fully funding the overdraft over the next three years as soon as possible. The funding plan will need OMB approval. With the exception of a few service centers, OMB does not expect to approve funding plans related to overdrafts.

Contact: David Soper (212-851-0729, ds3012@columbia.edu)

12. YEAR END ANALYSIS AND REPORTING

COBs based on FY17 Period 12 final figures will be available to schools and departments on Wednesday, July 26, 2017. These reports should be used to analyze the year end results against the budget and latest estimate, as well as the comparison of actuals for FY17 to FY16 actuals. Explanations are required for variances of \$500,000 or greater for all revenue and expense COB lines at the school level.

For OMB questions contact David Soper (212-851-0729, ds3012@columbia.edu).
For Controller's Office questions contact Patrice Elliott (212-851-2757, pe2132@columbia.edu).

If you have any questions concerning fiscal year closing topics, please do not hesitate to contact Michael Kerstan, Associate Controller, Financial Reporting and Operations (212-854-1030, mk1225@columbia.edu) or Patrice Elliott, Executive Director, Financial Reporting and Operations (212-851-2757, pe2132@columbia.edu). Should you have questions on any of the other areas discussed in this memo, please do not hesitate to reach out to the contact noted for the relevant area.

Please note that this information may also be found on the Finance Gateway at <http://finance.columbia.edu/content/fy17-year-end-closing-guidance>.