



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 50.30, **Year End Close Processes and Deadlines**

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish the deadlines, policies and requirements for completing the annual financial close process for TTUHSC El Paso.

REVIEW: This HSCEP OP will be reviewed April 1 of every year (EY) by the director of Accounting Services and the director of Purchasing, with recommendations for revisions submitted to the chief financial officer by April 15.

POLICY/PROCEDURE:

I. Definitions.

- A. **Fiscal Year End (FYE)** – August 31st of each year
- B. **Close** – September 10th of each year
- C. **FOAP** – Fund, Organization, Account, and Program
- D. **FOP** – Fund, Organization and Program

II. Deadlines. Various deadlines exist to facilitate the annual financial close process for TTUHSC El Paso.

A. Purchasing

- 1) Encumbrances Requests for release, increases or decreases to any encumbrances must be received by Purchasing no later than the last business day prior to FYE, and should be submitted as early as possible to allow for processing by FYE. Requests after that date must first be submitted to Accounting Services.

B. Payables, Purchasing Cards, and Travel

- 1) Invoices and receiving reports must be received by Payment Services no later than close but should be submitted as early as possible to ensure processing within the fiscal year.
- 2) Purchasing cards Purchases made prior to the 3rd day of September will be posted to the fiscal year being closed. Allocations should be processed throughout the month of August but no later than two or three business days after FYE, depending on the month end cycle.
- 3) Travel vouchers must be received by the travel office no later than close, but should be submitted as early as possible to ensure processing within the fiscal year.

C. Accounting

- 1) Consumable supplies and goods for resale inventories must be counted as of August 31st and a count for all inventories in excess of \$15,000 must be submitted to Accounting Services at accountingelp@ttuhsc.edu on a Consumable Supplies and Goods For Resale Inventory form available at <http://elpaso.ttuhsc.edu/fiscal/businessaffairs/accounting/Forms.aspx> no later than three business days after FYE.
- 2) Any claims for amounts in the holding account must be received at

- accountingelp@ttuhsc.edu no later than three business days after FYE. Holding account reports are available at <http://el Paso.ttuhsc.edu/fiscal/businessaffairs/accounting/reports.aspx>
- 3) Internal billings for services must be entered online no later than four business days after FYE.
 - 4) Other expense accruals and related supporting documentation must be received by Accounting Services at accountingelp@ttuhsc.edu no later than the business day prior to close.
 - 5) Non-contract revenue and other revenue accruals and related supporting documentation must be received by Accounting Services at accountingelp@ttuhsc.edu no later than three business days after FYE. The Revenue Accrual Form is available at <http://el Paso.ttuhsc.edu/fiscal/businessaffairs/accounting/Forms.aspx/>.
 - 6) Contract revenue accruals must be entered into the Contract Accounts Receivable system available at <https://busaff.elpaso.ttuhsc.edu/ARSystem> no later than four business days after FYE.
 - 7) Cost transfers, internal purchase funding transfers and revenue transfers must be entered and approved by departmental approvers no later than four business days after FYE.
 - 8) Budget revisions indicating funding transfers and other FOAP adjustments must be entered into the Budget Revision System no later than three business days after FYE so that the related funding transfer can be processed prior to close.

III. Accruals.

A. Revenue

- 1) Any amounts earned in the fiscal year being closed but not received must be accrued. Contract revenue should be accrued via the Contract Accounts Receivable System located at <https://busaff.elpaso.ttuhsc.edu/ARSystem>. Non-contract revenue accruals should be accrued via a Revenue Accrual Form located at <http://el Paso.ttuhsc.edu/fiscal/businessaffairs/accounting/Forms.aspx>. Deposits should be recorded using the bank deposit date. Deposits posted on September 1st or after will need to be accrued if they were not previously invoiced or recorded in the Contract Accounts Receivable System.

B. Expenses

- 1) If goods or services have been received but the invoice has not been received or cannot be processed by Payment Services prior to close, then an expense must be accrued; e-mail all pertinent information about the expense including FOAP, and whether it is encumbered to the appropriate accountant for an accrual entry. Additionally, Payment Services will notify Accounting Services of any invoice payment exceeding \$10,000 that is processed after close and meets expense accrual criteria. Accounting Services will evaluate this information to determine if additional accrual entries are needed.

IV. Deferrals. Revenue and expense deferrals will be processed as necessary.

A. Revenue

- 1) Any amounts received prior to August 31st but not earned in that fiscal year must be deposited using the online cash receipts system located at <https://busaff.elpaso.ttuhsc.edu/CashReceiptSystem/> with appropriate balance sheet coding to indicate that it is deferred revenue. Contact the accountant to determine the appropriate deposit coding.

B. Expenses