

WELLESLEY COLLEGE

To: Academic Department Chairs, Administrative Department Managers and Others with Budget Responsibility

From: Thomas Kane, Director of Purchasing
Linda Murphy Church, Assistant Vice President for Finance
Donna Ng, Associate Vice President for Finance

Date: May 26, 2009

Re: Fiscal Year 08/09 Audit and Closing Process

AUDITING STANDARD

Our external auditors PricewaterhouseCoopers will need to follow an auditing standard that will be effective for the fiscal year 08/09 audit. The Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit* provides guidance to the auditor on the reporting of internal control deficiencies to the Audit Committee.

Internal controls provide the keystone of sound business practices. These controls include adequate segregation of duties, diligent application of preventive and detective control systems, and conscientious compliance with authorization, reporting, and other established processes. Faculty and staff are expected to maintain and support internal controls structures at Wellesley College.

As part of the audit process, the auditors will be reviewing documentation to gain evidence that the College is following the internal control procedures established. In particular, the auditors will be looking to see if:

1. Invoices are properly approved
2. Timesheets are properly approved
3. Expenses are recorded in the proper fiscal year

The College depends on you to support the above internal control policies. If the auditor finds any evidence that the above internal control procedures are not followed, under SAS 112, the auditor may be required to report the details of the internal control exception to the Audit Committee. Therefore, now more than ever, it is extremely important that you support these internal control policies, with special attention to the procedures highlighted in this memo about the year end closing process for fiscal year 08/09.

FISCAL YEAR 08/09 CLOSING CALENDAR

Below is a calendar with key dates for closing out your department's finances for fiscal year 08/09. Staff in the Controller's Office is ready to assist you. If you have questions or issues that need to be addressed, please contact us as soon as possible. We have to be prepared for our external audit, and so the dates below are **firm** deadlines

Monday, June 15th	Fines or fees for the FY08/09 fiscal year need to be in the Student Financial Services Office in order to be billed in FY08/09.
Wednesday, June 24th	Last day to order from Office Max for FY08/09. All remaining backorders and unshipped orders will be cancelled and will need to be re-ordered.
Friday, June 26th	ProCard charges posted prior to this date will be processed in the FY08/09 fiscal year if goods or services have been received by the College. Please note that it normally takes 1-2 days for ProCard transactions to post on the bank's system. Please plan accordingly.
Tuesday, June 30th at noon	All cash receipts for departments and student accounts to be credited to FY08/09 need to be into the Controller's Office. Payment or deposit can be made at the Cashier window.
Tuesday, June 30th at noon	Petty cash expense reimbursements must be submitted to the Cashier's window in order to be charged to FY08/09. Pick up any checks held at the Cashier's window.
Thursday, July 9th	Gift checks received directly by departments prior to June 30 th postmarked June 30 th or prior should be forwarded to Debbie Mulno in Resources for processing. Please include envelope showing postmark.
Thursday, July 16th	The Controller's Office will process invoices dated on or before June 30 th for goods received and services rendered in FY08/09. All invoices and check requests for FY08/09 must be forwarded to Accounts Payable for processing. Any invoices or check requests received after this date will be charged to FY09/10 unless AP adjustment request procedures are followed. Please refer to the Controller's Office website for detailed information about this adjustment process at http://www.wellesley.edu/Controller/genyrendadj.html
Thursday, July 16th	Expense reports for travel on or prior to June 30 th need to be forwarded to Accounts Payable for processing in FY08/09. If travel crosses fiscal years, the expense will be prorated using the number of days of travel in each year. All outstanding travel advances will be charged to the FOAPAL on the Travel Advance form in FY08/09.
Thursday, July 16th	All journal entries and ProCard reallocation forms must be received by the Controller's Office today to process any FY08/09 year-end adjustments or corrections. The transaction date on the journal entry form must be entered with a date on or before 6/30/2009 for the journal entry to be posted in the budget year FY08/09. To submit the journal entry, the authorized signer should send an email, with the journal entry attached, to the conference Controllers Journals .
Thursday, July 16th	All interdepartmental charges , including the Post Office, Copy Center, Telecommunications Office, Distribution Center, Wellesley College Club and Printing Services, etc, must be received by the Controller's Office today.

Wednesday, July 22nd	This is the first preliminary FY08/09 closing date. Notice will be put on the First Class Faculty/Staff Conference and sent to individuals on the Controller's Office email list on this day for departments to run their preliminary year-end reports. Journal Entries after this date must be submitted by an authorized individual of the FOAPAL to be charged. The transaction date on the journal entry form must be entered with a date on or before 6/30/2009 for the journal entry to be posted in the budget year FY08/09.
Wednesday, July 29th	This is the deadline for FY08/09 A/P adjustment requests . Since, the Controller's Office cannot process invoices or check requests in FY08/09 received after July 16 th even if they are dated on or before June 30 th , requests for adjustments may be made for prepaid or accrued expenses. Please refer to the Controller's Office website for detailed information about this process at http://www.wellesley.edu/Controller/genyrendadj.html
Wednesday, July 29th	Any final journal entries to adjust data based on the preliminary reports must be received by today. Final journal entries must be sent by an authorized individual of the FOAPAL to be charged. The transaction date on the journal entry form must be entered with a date on or before 6/30/2009 for the journal entry to be posted in the budget year FY08/09.
Thursday, July 30th	This is the second preliminary FY08/09 closing date. We ask that you review your budget for accuracy at this time. Please note: The Controller's Office reserves the right to make adjustments as necessary after this date.
Late August	Notice will be put on the First Class Faculty/Staff Conference and sent to individuals on the Controller's Office email list when the books are closed. At that time departments can run their final reports .

Things To Keep In Mind

- The College does not accrue departmental operating budgets for items that were not received or services that were not provided by June 30th simply because they were budgeted for in this fiscal year. Any unexpended department unrestricted operating budget funds **cannot be carried forward** to FY09/10.
- Since **ProCard** purchases are posted weekly, the last automatic ProCard purchase to be posted in FY08/09 will be the one from the week ending 6/26/09. This will only include charges that have been processed by the bank. The Controller's Office will review the ProCard file for the week ending 7/3/09 and post a journal entry to reflect charges to your department for FY08/09 transactions.
- For audit purposes, to determine proper recording of **ProCard** purchases in the correct fiscal year, the Controller's Office may request evidence of receipt of goods (i.e. packing slips). If the evidence suggests that goods were received or services performed after June 30th, the invoice will be charged to FY09/10. Failure to supply such evidence may result in an adjustment of the expense into FY09/10.
- For all purchases, during the last few weeks of June, we suggest that you contact the vendor to **confirm delivery** on or before June 30th.

- Since the **Office Max** billing month ends on the 26th of each month, items purchased through Office Max on or before 6/24/09 will be processed in FY08/09 (Charges are billed on delivery). After June 26th, all remaining backorders and **unshipped orders with Office Max will be cancelled** and will need to be re-ordered against your FY09/10 budget.
- Please arrange with vendors for timely invoicing of goods or services on or before June 30th and promptly forward all vendor invoices to the Controller's Office for processing. If goods are not received or services performed by June 30th, the invoice will be charged to FY09/10.

REPORTS AND ON-LINE QUERY INFORMATION

End-users have access to on-line Banner information regarding their budget and expenses. Those with on-line access may look up budget vs. actual information at any time. The Controller's Office staff will post a message on July 22nd on First Class in Faculty/Staff to inform users of the preliminary year-end closing date. When you see this message, you may print out departmental reports for June preliminary close FY08/09. Carefully review these reports and note any discrepancies or adjustments that need to be made. Authorized Signers please send in correcting journal entries promptly through the Controller's Journal, or contact the Controller's Office for consultation. Final adjustments **must** be received by July 29th. Final reports will be accessible in late August.

Actual expense information for the new fiscal year FY09/10 will be available for budget viewers on July 1st via on-line query forms. FY09/10 budget data will be entered into Banner as soon as possible before July 1st.

INVOICES AND ORDERING FOR FY08/09 PRIOR TO JULY 1ST

If you need to order items for FY09/10 prior to the start of the fiscal year on July 1st, please note "Budget Year FY09/10" on your requisition to the Purchasing Department. If services are performed or an item is received by June 30th, then the invoice **will** be charged to FY08/09 even though you were planning on charging it to FY09/10.

OUTSTANDING PURCHASE ORDERS FOR FY08/09

Outstanding purchase orders create encumbrances. All open encumbrances that are less than \$10,000 will be closed automatically on 6/30/09. In June, the Purchasing Department will contact those departments that have open encumbrances of more than \$10,000. It is the requisitioner's responsibility to request that applicable encumbrances be closed. **If you have outstanding purchase orders for FY08/09 for which encumbrances have been created, and you do not request the Purchasing Department to close them - they will be appear as an encumbrance on your FY09/10 budget.** Unexpended money from your FY08/09 budget will **not** be carried forward to pay for these encumbrances once the items or goods are received. Your FY09/10 budget will reflect this charge without any addition to your budget.

OVERBUDGET ACADEMIC AND ADMINISTRATIVE DEPARTMENTS

The Budget Office will review all departments that have overspent their FY08/09 unrestricted budgets. If an overbudget department has endowed funds or restricted gifts, and the restrictions on either the endowment funds or gifts do not prohibit it, these restricted funds will be appropriated to offset the overexpenditures. For those departments that have neither endowment funds nor gifts, FY09/10 non-personnel budgets may be reduced by the FY08/09 over expenditure after consultation with the Department Manager and his/her Senior Staff person.

MILEAGE RATE REIMBURSEMENT FOR FY09/10

The mileage allowance for the use of personal automobiles on College business will be increased to \$.550 per mile effective July 1, 2009 from the previous rate of \$.505 per mile in accordance with College policy to implement current IRS standard mileage rates at the beginning of our fiscal year.

CONTROLLER'S OFFICE CONTACT LIST FOR ANY QUESTIONS

<u>Name</u>	<u>Title</u>	<u>Extension</u>	<u>Email</u>	<u>Responsibility</u>
Donna Ng	Associate Vice President for Finance	2258	dng2@wellesley.edu	SAS112 General questions
LynnAnn Falvey	Accounting Specialist	2488	lfalvey@wellesley.edu	Journal Entries
Lisa Kaufman	Sr. Cashiering Specialist	2265	lkaufman@wellesley.edu	Deposits
Paul Kimball	Endowment & Restricted Funds Accountant	2249	pkimball@wellesley.edu	Endowment Distribution
Dotti Koulalis	Accounts Payable Manager	2469	dkoulalis@wellesley.edu	Invoices Check requests Expense reports
James Sullivan	Associate Controller	2250	jsulliva@wellesley.edu	General Questions Expense Accruals Journal Entries
David White	Sr. Accts. Payable Specialist	2718	dwhite@wellesley.edu	Invoices Check requests Expense reports

PURCHASING DEPARTMENT CONTACT LIST FOR ANY QUESTIONS

<u>Name</u>	<u>Title</u>	<u>Extension</u>	<u>Email</u>	<u>Responsibility</u>
Thomas Kane	Director of Purchasing	2471	tkane@wellesley.edu	Purchasing questions Encumbrances

BUDGET OFFICE CONTACT LIST FOR ANY QUESTIONS

<u>Name</u>	<u>Title</u>	<u>Extension</u>	<u>Email</u>	<u>Responsibility</u>
Linda Murphy Church	Assistant Vice President for Finance	2301	lchurch@wellesley.edu	Budget questions