

Fiscal year-end purchasing guidelines

With the University's fiscal year-end (June 30, 2019) approaching, below are recommended guidelines for efficient and effective year-end processing of purchases.

Accounting for departmental expenses:

In accordance with generally accepted accounting principles, Drake is required to report transactions in the proper fiscal period. For that reason, expenses are recorded in the period when goods are **received** and/or services are **rendered**. **In short, items expensed to a FY19 budget will need to be received before June 30, 2019.** Factors such as budget allocation, invoice receipt, or payment issuance would not have an impact on the application of expenses within a fiscal period.

Exceptions to this general rule apply when a benefit of service or receipt of item extends into multiple fiscal years. In such cases, the following guidelines will be applied.

- **Expenses less than \$5,000:** will be charged against the fiscal year in which the majority of the expense will be incurred. *(For example, if a subscription is purchased for \$3,000 and covers the period of 7/1/18 through 12/31/19, the expense would be charged to FY19)*
- **Expenses greater than or equal to \$5,000:** will be split into the fiscal years according to the percentage of benefit received during each fiscal period. *(For example, if a subscription is purchased for \$10,000 that covers a period of 7/1/18 through 6/30/20, \$5,000 would be charged to FY19 and \$5,000 charged to FY20)*

The University's guidelines for year-end purchases are subject to external audit. As you make purchases during this period leading up to and overlapping our fiscal year end, it is important to note when the goods or services were received so they are expensed according to reporting requirements. If the timing of receipt is not clearly noted on the invoice, it would be beneficial to help call the receipt date to accounting's attention by clearly marking the appropriate fiscal year for the expense, based on the above guidelines, on the pay request.

Please contact Jeni Baugher at x4509 or Jenifer.Baugher@drake.edu with any questions you might have.

Year-end timeline:

In order to facilitate efficient and effective year-end processing, the following timeline is recommended for the fiscal year ending June 30, 2019.

Deadline	Action	Additional Information
April 30	Submit final FY19 computer order requests	Please contact Monita Jackson at x3918 or use the IT Service Portal (service.drake.edu)
June 3	Initiate final FY19 purchase orders	Please contact Caron Findlay at x2424 or caron.findlay@drake.edu with any questions you have regarding purchase orders.
June 14	Complete FY19 purchases with vendors	All purchases should be completed by this date in order to allow for settlement of the transaction and receipt of the goods or services by June 30.
	Clear outstanding FY19 Travel Advances	Please contact Jeni at x4509 or Jenifer.Baughner@drake.edu with any questions you have regarding outstanding travel advances.
	Review FY19 account activity through May	All accounts should be reviewed in Banner on a timely basis throughout the fiscal year. Any corrections for July18 through May19 activity should be submitted to accounting by this date.
June 28	Submit all FY19 payment requests	All payment requests for FY19 are to be submitted to Accounting.
July 17		

	Submit requests for FY19 restricted or endowed spending transfers.	All requests for restricted or endowed spending should be submitted to Kathy Veach at kathy.veach@drake.edu by end of the business day.
July 19	Final review of FY19 account activity	At this point, only June transactions should need to be reviewed. Corrections for June are due to accounting by this date. <i>All prior months' activity should have been reviewed and corrections submitted as stated above in the timeline.</i>

****Pcard statements and required documentation should be submitted electronically by the deadlines established within the new program guidelines.*

—Heather Travis, Finance and Administration