



**A/P Closing 09/28/2023
System Dark:
09/28/2023 & 09/29/2023**

DATE: August 1, 2023
TO: PS Distribution
FROM: Monica Marquez & Muriel Marroquin
Associate Director, Purchasing
Associate Director, Payment Services
SUBJECT: **2023 Fiscal Year-End Closing**

To ensure that the fiscal year closing is completed as efficiently as possible, we have prepared the following timeline to assist our customers. Please use this as a tool to plan accordingly. The dates below reflect firm cut-offs. Where action is required by Procurement Services (PS), the specified dates indicate when required paperwork or system action(s) must be received by PS to be included in FY2023. Explanations of some of the accounting concepts are included on the last page of this memo.

Requisitions & Purchase Orders (With Supporting Documentation)

Action	Cut-off Date	Result
Receive all FY2023 Purchase Requisitions (TechMart)	09/08/2023	Encumber in FY2023 ▲
Enter Purchase Order into system	09/15/2023	Encumber in FY2023 ▲

▲ GB Funds encumbered in FY2023 for which invoices are not posted within FY2023 will not be carried forward to FY2024.

Prepayments

Payments for goods or services should not be issued prior to the actual receipt and acceptance of goods and services. Certain types of purchases may require prepayment, such as rentals, leases, subscriptions, etc. Requests for prepayments must be supported by documentation and approved by the department (P.I., Grant Manager, or Division Administrator). It is the responsibility of the requesting department to ensure that the Supplier provides the goods or services to Caltech.

It is not appropriate to request prepayment for goods or services (not yet received) to circumvent the budgeting process. If there is a business reason to retain funds for a future purchase, a roll-over should be requested from the Budget Office.

Invoices

Actions	Cut-off Date	Result
Submit approved invoices for standard PO's	09/05/2023	Expensed in FY2023 (posted to PTA in September 2023)
Last CBORD & VWR Runs	09/22/2023	Expensed in FY2023 (posted to PTA in September 2023)

Payment Requests

Actions	Cut-off Date	Result
Submit Payment Request	09/15/2023	Expensed in FY2023 (posted to PTA in September 2023)

Petty Cash Fund Replenishments

Actions	Cut-off Date	Result
Submit request to replenish Petty Cash Fund	09/15/2023	Expensed in FY2023 (posted to PTA in September 2023)

Invoices Pending (Accruals)

Actions	Cut-off Date	Result
Submit FY2023 invoices to Accounts Payable for accrual	10/1 – 10/31/2023	For accrual in FY2023, will appear on financial statements, but will not impact PTA's
Invoices received after 10/1/2023 will be analyzed for appropriate accrual. Please continue submitting invoice to AP.		

CardQuest Reports (Goods and Services/Travel)

Goods and Services

Actions	Cut-off Date	Result
Report <u>Submitted</u> and <u>Approved</u> *	09/20/2023	Expensed in FY2023, will appear in September
Transactions** dated 9/15/2023 & before can be expensed in FY2023 if a report is <u>Submitted</u> and <u>Approved</u> by 9/20/2023	For September 2023 report	Expensed in FY2023, will appear in September
Transactions*** dated 09/16/2023 & after that are added to an October 2023 report will be expensed in FY2024 (do not submit until October reconciliation)	For October 2023 report (must be <u>Submitted</u> and <u>Approved</u> for October reconciliation)	Expensed in FY2024, will appear in October

Travel

Actions	Cut-off Date	Result
<u>Submitted</u> and <u>Approved</u> Travel Expense Report	09/22/2023	For payment in FY2023
Last interface for Travel payments	09/26/2023	For payment in FY2023

***Submitted and Approved**

All CardQuest reports must be submitted and approved (by the expense approver) by the Cut-off Date.

****Transaction date**

This is the date that Visa assigns to the charge as it posts to their mechanism that passes the charge to Caltech. It may be later than the date merchandise was purchased, depending on when the merchant passes the information to its bank and in turn the bank passing it to Visa. *The only time this is critical is if the charge is intended for a project that is ending or if the funds in the project will not carry forward. In such a case, the cardholder should ask the merchant when the charge would be processed.*

***P-Card Transactions charged after 9/11/2023 are not guaranteed to be included in FY2023. This is dependent on how and when the supplier processes the transaction. Caltech cannot control this.

Encumbrance Closeout, Expenditure Type Changes and Cost Transfer Splits

Actions	Cut-off Date	Result
Submit request for encumbrance closeout	09/15/2023	For FY2023
Submit request for expenditure-type change	09/15/2023	For FY2023
Splits related to applicable A/P Cost Transfers	09/15/2023	For FY2023

Payment Runs

Last Wire Transfers	09/27/2023	For FY2023 payments
Last run for checks, direct deposits, EFT for Suppliers	09/27/2023 (Direct Deposits, EFT, Checks)	For FY2023 payments

NO SYSTEM PROCESSING ON SEPTEMBER 28 & 29. (NO CHECKS, WIRE TRANSFERS, TRAVEL REIMBURSEMENTS, OR TRAVEL ADVANCES WILL BE ISSUED AFTER THE FINAL RUNS LISTED ABOVE)

Accounting Concepts

Accrued

Caltech uses accrual basis accounting in its audited financial statements, which is the reporting of all revenues in the period earned, all expenses in the period consumed, all assets in the period purchased, and all liabilities in the period incurred. Caltech's financial reports must reflect all activity for the current Fiscal Year, including those transactions that have not yet been processed through Oracle. To meet this requirement, invoices for goods or services that have been received by the A/P closing date must be identified, accrued, and reported as a liability.

Encumbrance

A method for budgeting funds. Encumbrances are funds that have been set aside or "claimed" for projected expenses pending actual expenditure of the funds. At Caltech, funds are encumbered when a Purchase Order is created (*Note: For any Purchase Orders created during the fiscal year System Dark period, their encumbrances will not appear until the following fiscal year in Cognos*). Certain expenditures are expensed immediately (recorded as spent) these expenditures are not encumbered. Examples of immediately expensed items are: Payment Requests, Travel, and P-Card transactions.

Expensed

When goods or services are paid for, they are recorded as spent (expensed). P-Card transactions are expensed when they are passed from the P-Card software to Oracle (monthly).

Expensed vs. Encumbered

Caltech projects are funded from multiple sources and have multiple conditions. Some projects are funded by grants and report on a grant year, some are associated with General Budget funds and report on the Caltech fiscal year. Some projects lose unspent funds at the end of the fiscal year (e.g., General Budget) and others carry them forward. It is important to understand the terms of the project being charged in order to make an informed decision regarding year-end transaction instructions. If the funds will be lost at the end of the fiscal year, a transaction must be expensed (paid) prior to the end of the accounting period.

Financial Statements

Financial statements prepared by the Controller's Office are submitted for independent audit. After audit approval, the financial statements can be viewed online on Caltech's website at www.caltech.edu.

Fiscal Year

An accounting year of 12 months, sometimes called a financial year. Caltech's fiscal year is October 1 through September 30. Caltech reports on its finances annually by fiscal year.

Questions

Procurement Services: PurchasingBuyersGroup@caltech.edu

Payment Services: PaymentServices_all@caltech.edu

PCard Services: Pcardservices@caltech.edu

Travel Services: Travelservices@caltech.edu

General Inquiries

Hotline: ProcurementHotline@caltech.edu or call ext. 8900