

Finance and Accounting Manual

Year End Close Procedures

Approved by the: Chief Financial Officer on 13 December 2011.

Date of effect: 13 December 2011. Updated: 25 September 2012.

1. Overview

1.1 Purpose

The purpose of this document is to detail the procedures relating to the financial year-end close of the University of Sydney.

1.2 Coverage

The year-end close procedure is relevant to all University staff responsible for financial matters

2. Procedures and Guidelines

2.1 General Information

(i) The financial year-end close procedure of the University of Sydney is conducted to finalise the financial results of the one year and calculate the financial balances to be carried forward to the following year.

(ii) The financial year for the University of Sydney is based on the calendar year from 1 January to 31 December.

2.2 Year-end Close

(i) The year-end close procedure is normally completed once a year during January. The procedure involves the following steps:

(a) Close current year and activate New Year.

(b) Transfer the closing balances of the balance sheet to the opening balances of the New Year. Opening Actual balances are stored in Period 0 in PeopleSoft Financials.

(c) Calculate the year end net income and expenditure result and transfer this result to the opening accumulated funds/carry-forward equity balance of the New Year. Opening Actual balances are stored in Period 0 in PeopleSoft Financials.

(d) Calculate the year end outstanding purchase order commitment result and transfer this result to the following year. Opening commitment balances are stored in Period 1 in PeopleSoft Financials.

(ii) It is vital that all financial transactions are completed in accordance with the University's year-end financial timetable prior to the closure of the ledgers. The timetable is distributed to all financial staff usually during the second half of the calendar year.

(iii) When using Hyperion or PeopleSoft to review general ledger balances including opening or carry forward balances, it is important to use Period 0 in the accounting period parameters to ensure the opening balances are included. Please note that transaction Query's (eg SUGLQ104) do not show opening balances.

(iv) A year-end adjustments accounting period is available in the General Ledger for processing year end entries once the ledgers are closed if required for annual accounts purposes. The year-end adjustments period is referred to as Period 998. When using Hyperion or PeopleSoft to review yearly general ledger balances, it is important to include Period 998 in the accounting period parameters to ensure all balances are included.

(v) Year-end adjustment entries must be approved and processed by the Financial Control and Treasury Unit.

3. Internal Controls

3.1 Responsibilities/Accountability

<i>Officers</i>	<i>Responsibilities</i>
University Staff	<ul style="list-style-type: none"> Ensure all financial transactions are processed in accordance with the University's year-end timetable.
Financial Control and Treasury Unit	<ul style="list-style-type: none"> Co-ordinate production of the University's year end timetable. Distribute year-end timetable. Approve and process year-end entries.
Financial Management and Analysis Unit	<ul style="list-style-type: none"> Close ledgers in the University's financial system and create opening balances (actuals only). Complete regular integrity checks on the use of accumulated funds/carry-forward classifications.
Procurement Services	<ul style="list-style-type: none"> Co-ordinate year-end closing procedure for purchasing commitments.

3.2 PeopleSoft Accounting Entries and Information

The University of Sydney's current formula for the calculation and posting of accumulated funds/carry-forwards calculates an amount for all ChartField combinations (responsibility centre/project grant/analysis). The carry-forward is the resultant surplus or deficit after all income and expenditure items, asset additions and disposals and transfers to and from reserves have been brought to account. The carry-forwards for Professional Service and University Wide Cost centres will be consolidated with the central cost recovery responsibility centre.

3.3 Controls/Reconciliation/Reporting Activities

It is important that tight controls are in place for the year end close procedure. The Financial Management and Analysis Unit completes trial balance reconciliations after the year end close process. Classification integrity checks are conducted on a regular

basis to ensure that the balance of the accumulations/carry-forward equity classification does not change throughout the year. A document listing the [Rules Applying to Specific Classifications](#) is available for your information.

4. Related Information

4.1 Resources and weblinks.

(i) **References**

- [Rules Applying to Specific Classifications](http://sydney.edu.au/finance/docs/classrules.pdf)
sydney.edu.au/finance/docs/classrules.pdf
- [Finance and Accounting Manual](http://sydney.edu.au/finance/about/az)
sydney.edu.au/finance/about/az

4.2 University procedures superseded or replaced by this procedure:

- Finance and Accounting Manual
 - Year End Close Procedures: 19 October 2010

5. Contact and Review

5.1 Contact

Unit: Financial Management and Analysis
Phone: 9351-2744 Christina Fava
Fax: 9114-1231

5.2 Review

The Chief Financial Officer will approve changes to financial procedures and guidelines and will co-ordinate changes to financial policy, with the Vice-Chancellor delegated to approve University financial and infrastructure policy.

Amendments to forms, schedules and weblinks will be processed by Financial Services.

Amendments to the Finance and Accounting Manual procedures and forms are listed on the Financial Services website under:-

- [FAM Amendments](#)
- [Amendments to Forms](#)

Please forward suggestions and comments on the Finance and Accounting Manual via the [Feedback Form](#).