

Duke University Corporate Accounts Payable
Changes to the Fiscal Year-End invoice accrual process

The accrual process that WAS in place for FY 2007/2008

AP – Vendor invoices – that related to a FY 2007/2008 expenditure

- Posted all vendor invoices in period 12 that were received by 5 pm on Monday, July 7, 2008.
- Accrued all invoices in period 13 that were in excess of \$24,999.99 and that were received between July 8 and July 17, 2008.
- Accrued all invoices in period 14 that were in excess of \$49,999.99 and that were received between July 18 and July 25, 2008.
- After July 25, 2008, sent all invoices in excess of \$249,999.99 to Financial Reporting for top side accruals.

AP – Check Request – that related to a FY 2007/2008 expenditure

- Posted all check requests in period 12 that were received by 5 pm on Tuesday, July 1, 2008.
- Accrued all check requests in period 12 that were in excess of \$999.99 and that were received between July 2 and July 7, 2008.
- Accrued all check requests in period 13 that were in excess of \$24,999.99 and that were received between July 8 and July 17, 2008.
- Accrued all check requests in period 14 that were in excess of \$49,999.99 and that were received between July 18 and July 25, 2008.
- After July 25, 2008 sent all check requests in excess of \$249,999.99 to Financial Reporting for top side accruals

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Change to the FYE accrual process for 2008/2009

AP – Vendor invoices – that related to a FY 2008/2009 expenditure

- Post all vendor invoices in period 12 that are received by 5 pm on Tuesday, July 7, 2009. Period 12 closes at 2 pm on July 10. AP will stop posting in period 12 as of 10 am on July 10th, this will allow DUHS “quiet time” to determine if any accruals need to be posted in period 12.
- During period 13, between July 11th and July 16th at 3pm, AP will continue to post invoices that are received after 5 pm on Tuesday, July 7th and that are related to FY 2008/2009 expenses. DUHS will monitor invoice postings throughout period 13 and reverse accruals if relevant corresponding invoices are posted. DUHS will use Norikkon APay center as a tool to manage the accrual process.
- After close of Building codes at 3 pm on July 16th, AP will stop processing invoices for fiscal year 2008/2009. Financial Reporting will use Norikkon APay center to identify invoices that need to be accrued for the University and SOM. (scope to be determined). The accruals will be top side accruals and will not impact any departmental cost centers or WBS elements. If departments want to accrue to a cost center or WBS element the accrual will need to be coordinated with Financial Reporting to prevent double accruals.

AP – Check Request – that related to a FY 2008/2009 expenditure

- Post all check requests in period 12 that are received by 5 pm on Wednesday, July 1, 2009. Period 12 closes at 2 pm on July 10th. AP will stop posting in period 12 as of 10 am on July 10th, this will allow DUHS “quiet time” to determine if any accruals need to be posted in period 12.
- During period 13, between July 11th and July 16th at 3 pm, AP will continue to post AP check request that are received after 5 pm on Wednesday, July 1st and that are related to FY 2008/2009 expenses. DUHS will monitor check request postings throughout period 13 and reverse accruals if relevant corresponding requests are posted. DUHS will use Norikkon APay center as a tool to manage the accrual process.
- After close of Building codes at 3 pm on July 16th, AP will stop processing AP check requests for fiscal year 2008/2009. Financial Reporting will use Norikkon APay center to identify invoices that need to be accrued for the University and SOM. (scope to be determined). The accruals will be top side accruals and will not impact any departmental cost centers or WBS elements. If departments want to accrue to a cost center or WBS element the accrual will need to be coordinated with Financial Reporting to prevent double accruals.

Example of difference between accrual methods:

Posting Difference: \$100,000 invoice received July 10th for vendor ABC company, cost center 1573201, gl account 691600

FY 2007/2008 Method

	Cost Object	GL code	Debit	Credit
June FY 08	1573201	691600	100,000.00	
	1001000	201000		100,000.00
July FY 09	1573201	691600		100,000.00
	1001000	201000	100,000.00	
July FY 09	1573201	691600	100,000.00	
	ABC Company	200900		100,000.00

FY 2008/2009 Method

	Cost Object	GL code	Debit	Credit
June FY 09	1573201	691600	100,000.00	
	ABC Company	200900		100,000.00

Invoice Image

- FY 2007/2008 method: To see the image of the invoice that created the June expense someone will need to review the July 09th expense to retrieve the invoice image.
- FY 2008/2009 method: The invoice image will be attached to the June expense.

Period 14 expenses

- FY 2007/2008 method: Accruals were posted at the cost object level through period 14 close. In some cases this caused overdraft situations that management centers were scrambling to correct/fund at the last minute or were not able to fund/correct prior to the close of period 14.
- FY 2008/2009 method: Accruals will be top side and not visible at the management center level

Assumptions

- FY 2008/2009 method: AP will only retro post invoices and check requests based on the proposed dates. **Therefore, AP staff will no longer process accruals.**
- FY 2008/2009 method: Assumption is that DUHS will be responsible for all accruals related to the Health System for any unrecorded expenses. (i.e. topside entries)

EDI Accruals

- EDI Accruals
 - June invoices for Corporate Express, VWR, and Universal Printing EDI files posted after June 30th will be accrued by July 9th.
 - June invoices for Kelly Services EDI files posted after June 30th will be accrued as received. No accruals will be done after cutoff for building codes.