

# WELCOME

## Fiscal Year-End Financial Reports

**June 1, 2017**

Geosciences Building, 1215 West Dayton Street, Room AB20

**Presented by**

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Accounting Services, Division of Business Services



**WISCONSIN**  
UNIVERSITY OF WISCONSIN-MADISON

# Fiscal Year End Financial Reports

1. Requests will be sent out by June 15, 2017 for the following reports:

- Accounts Receivable
- Deferred Expenses
- Inventories

**Note:** These reports and associated instructions will be sent by Accounting Services by June 15, 2017 to your dean's business office for distribution and coordination.

## Accounts Receivable (Non-Loan Funds)

### General Information:

This submission helps satisfy the GAAP requirement for reporting revenues in the period "earned" regardless of when cash is received. In some cases, cash is received by the institution, the institution's local working bank, or the state's working bank, before the revenue is recorded on UW System accounting records. For example, federal letter of credit receipts for UW-Madison and other institutions are typically received a day or even more before the revenue is recorded. In order for Financial Reporting to report cash correctly, institutions need to identify amounts received as cash on or before June 30th but not recorded as revenue until Period 13 or the next fiscal year.

### Information to be reported by institutions:

Institutions should report receivables by fund. Institutions may split funds where two or more accounts receivable systems are used for one fund. An example: fund 128 could show a column for fee receivables and a column for non-fee receivables.

## Accounts Receivable (Non-Loan Funds)

- Departments will receive an Excel file which includes the beginning balances for each department that reported in FY2016.

**The amounts entered in the spreadsheet should be prepared under the following instructions:**

1. **DO NOT CHANGE BEGINNING BALANCES.** Uncollected balances as of June 30th in the previous reporting year must be the same as the July 1st balances reported on the current year's submission.
2. Receivables should be reported for revenues earned but not received per the System accounting records **as of the end of June**, rather than post-closing receivables. According to the GAAP manual, accounts receivable should include unbilled receivables if significant and measurable. Unbilled receivables represent amounts for services provided or goods furnished prior to June 30<sup>th</sup>, but for which the billings have not yet been processed.

## Accounts Receivable (Non-Loan Funds)

3. Fee Remissions and Compacts should NOT be included in the Accounts Receivable report.
  
4. Fund 133 and 144 accounts receivable consist of negative **cash balances** of individual grants and contracts (do not include gift accounts) **as of the end of June**. Positive cash balances represent deferred revenue. Accounts receivable should be calculated as the sum of the negative account balances with offsetting adjustments for the holding, parent, administrative and overhead accounts. For grants funded by letter-of-credit, individual grant balances need not be examined; only if the net letter-of-credit balance is negative should accounts receivable be reported. *(Your accounts receivable balance should be reduced by cash received as of June 30th – even though the revenue may not be posted until Period 13. See item #8.). Reporting of Fund 133 and 144 is done centrally by Research and Sponsored Programs (RSP) at UW-Madison.*

## Accounts Receivable (Non-Loan Funds)

5. Separate sheets should be completed for each fund which had uncollected balances at the beginning and/or end of the year. Uncollected balances as of June 30<sup>th</sup> in the previous reporting year must be the same as the July 1<sup>st</sup> balances reported on the current year's submission.
6. Do not include accounts receivable from other UW System departments.
7. The uncollected (ending) balance as of June 30<sup>th</sup> should not reflect any receipts posted in Period 13 *unless the cash was on hand as of June 30<sup>th</sup> (should correlate with your institution's "Cash vs. Receivables – July Revenues" report)*. UW System will reduce cash and increase accounts receivable by the amount of Period 13 receipts not on hand as of June 30<sup>th</sup>.
8. Detailed documentation and support of accounts receivable must be maintained by each institution.

## Accounts Receivable (Non-Loan Funds)

8. Identify any receivables due from State of Wisconsin agencies and due from other governments (federal, local, other states, etc.). This is necessary for reporting the proper classification of receivables to the Department of Administration (DOA) for the state's combined balance sheet. **Please be sure to indicate 0 (or none) if there are no receivables due from state agencies or other governments.** *(With the exception of pass-through grants and contracts, federal receivables are considered to be 'due from other governments'.)* **Please verify that the amounts reported do not exceed the fund's total receivable.**
  
9. An estimate of uncollectible accounts must be submitted for every fund, even if your institutional policy suggests that all receivables are deemed perpetually collectible. Not all receivables will be collected regardless of how long they are maintained in the records. The estimate of the amount deemed to be uncollectible for each fund should be based on an analysis of each institution's experience in collecting the various types of receivables. Please enter this information in the blue highlighted line. The auditors would like to see documentation as to how your estimates of uncollectible amounts are calculated. Please provide hardcopy of this analysis when submitting the accounts receivable reports.

## Accounts Receivable (Non-Loan Funds)

- If charges are posted to the Integrated Student Information System (ISIS) then the Bursar's Office will report these charges. Campus departments should not report these charges to avoid duplicate reporting.

### Information to be excluded by institutions:

- Funds 100-110, 112, 117, 126, 139, 145, 146, 148, 171, 180, 301, 402, 403, 406 and 601 & Loan Funds
- Inter- or intra-institutional Accounts Receivable
- Fee Remissions and Compacts

### System Administration use of data:

- System Administration will report all receivables on the UW System balance sheet and will make an entry to the FIN\_RPT ledger for financial reporting purposes. No changes will be made to the ACTUALS ledger.

ACCOUNTS RECEIVABLE as of June 30, 2017		2017 FORM
UW:	Madison	
Dept:		
Fund:		
Date completed:		
Contact Person:		
Name:		
Phone No.:		
Email:		
<b>INSTRUCTIONS</b>		
1) Please complete all boxes highlighted in Yellow below.		
2) For the 06/30/2017 A/R balances please provide (attach) a detailed description of the nature of the A/R and time period for collection.		
<b>FUND</b>		
AREA OR AR SYSTEM		
Beginning Balance (07/01/2016)	0.00	Entered by Accounting Services (Do not change)(equals reported 06/30/2016 ending balance)
Charges (2016-2017)		
Adjustments & Collections (2016-2017):		
Collections-received and recorded on SFS by 6/30		
Collections-received < 6/30 recorded 13th month		
Collections-received < 6/30 recorded next fiscal year		
Writeoffs		
Adjustments		
TOTAL DEDUCTIONS	0.00	
Ending Balance (06/30/2017)	0.00 *	
Estimate for Uncollectable Amount (Amount of * which you never expect to collect)		
	#DIV/0!	
Aging: (Age Ending 06/30/2017 Balance above *)		
Less Than One Year		
One to Two Years		
Two to Three Years		
More Than Three Years		
TOTAL (Must equal amount in Ending Balance *)	0.00	
Other Information:		
Amount in Ending Balance * Due from State Agencies (Enter -0- if nothing due from State Agencies)		
Amount in Ending Balance * Due from Federal and Other Governments (Enter -0- if nothing due from federal and other governments)		

**ACCOUNTS RECEIVABLE as of June 30, 2015**

**2015 FORM**

**UW:** Madison  
**Dept:** ABCD 030500  
**Fund:** 101

**Date completed:** 7/1/15

**Contact Person:**  
**Name:** John Smith  
**Phone No.:** 608-262-1234  
**Email:** john.smith@wisc.edu

**INSTRUCTIONS**

- 1) Please complete all boxes highlighted in Yellow below.
- 2) For the 06/30/2015 A/R balances please provide (attach) a detailed description of the nature of the A/R and time period for collection.

**FUND**

AREA OR AR SYSTEM

Entered by Accounting Services  
 (Do not change)(equals  
 reported 06/30/2014 ending  
 balance)

Beginning Balance (07/01/2014)	1,000.00
Charges (2014-2015)	5,000.00
Adjustments & Collections (2014-2015):	
Collections	4,000.00
Writeoffs	0.00
Adjustments	0.00
<b>TOTAL DEDUCTIONS</b>	<b>0.00</b>
Ending Balance (06/30/2015)	2,000.00 *
Estimate for Uncollectable Amount (Amount of * which you never expect to collect)	0.00
	0.00%
Aging: (Age Ending 06/30/2015 Balance above *)	
Less Than One Year	1,500.00
One to Two Years	500.00
Two to Three Years	0.00
More Than Three Years	0.00
<b>TOTAL (Must equal amount in Ending Balance *)</b>	<b>2,000.00</b>
Other Information:	
Amount in Ending Balance * Due from State Agencies (Enter -0- if nothing due from State Agencies)	0.00
Amount in Ending Balance * Due from Federal and Other Governments (Enter -0- if nothing due from federal and other governments)	0.00

**Note 1:** Funds 133 and 144 Submitted separately by RSP

**Note 2:** For the 06/30/2015 A/R balances please provide (attach) a detailed description of the nature of the A/R and time period for collection.

**What questions do you have about  
Accounts Receivable?**

## Deferred Expenses

### General Information

- Expense recognition should be deferred for charges associated with producing revenue that is not yet earned. (Similar to prepaid items, the expenditure is capitalized and reported as an asset.)
- For subgrants provided to other entities: If an advance is provided to a subgrantee AND the only eligibility requirement not met at June 30th is a time requirement imposed by your institution on the subgrantee, the advance should be reclassified as a deferred outflow.
  - Example: Cash is provided to a subgrantee in May, work is completed in June, but your institution has told the subgrantee the cash is not available to spend until July --> this is a deferred outflow rather than an expense

## Deferred Expenses

### Information to be reported by institutions:

#### ***Deferred Expenses:***

Report expenses associated with producing revenue where:

- the revenue will not be earned until a future period; and
- the expenses are not already included in Account Code 7105.

#### ***Deferred Outflows:***

Report advances to subgrantees where the only eligibility requirement not met is a time requirement imposed by your institution.

## Deferred Expenses

### Information to be excluded by institutions:

- Summer session expenses will be obtained directly from the accounting system by System Administration and split pro-rata based on the number of days in the session that occurred before July 1<sup>st</sup> using the Summer Session – Prorated Report submitted by UW-Madison.
- Expenditures in Account Codes 4XXX. These are accounted for elsewhere.

### System Administration use of data:

- Submissions from the institutions will be used to report the costs as deferred charges or deferred outflows. This will be accomplished by an entry to the FIN\_RPT ledger. No changes will be made to the ACTUALS ledger.

**DEFERRED CHARGES AND  
DEFERRED OUTFLOWS  
as of June 30, 2017**

UW-									
Date completed:									
Contact Person:									
Name:									
Phone No.:									
Email:									

**Deferred Charges:** *Charges incurred that are associated with producing revenue related to a future period and not yet earned. Charges listed below should not be already recorded in Account 7105.*

Fund	Account	Program	Amount						
			-						

**Deferred Outflows:** *Advances to subgrantees where the only eligibility requirement not met is a time requirement imposed by your institution.*

Fund	Account*	Program	Amount						
			-						

\*The account listed for Deferred Outflows should be the account where the advance is recorded on-system

**DEFERRED CHARGES AND  
DEFERRED OUTFLOWS (GASB 65)  
as of June 30, 2015**

<b>UW- Madison</b>	Dept/UDDS:	<b>ABCD 030500</b>	
Date completed:	6/30/15		
Contact Person:			
Name:	John Smith		
Phone No.:	608-262-1234		
Email:	<a href="mailto:john.smith@wisc.edu">john.smith@wisc.edu</a>		

**Deferred Charges: Charges incurred that are associated with producing revenue related to a future period and not yet earned. Charges listed below should not be already recorded in Account 7105.**

Fund	Account	Program	Amount
136	3151	2	23,620
136	2480	2	118,258
			141,878

**Deferred Outflows: Advances to subgrantees where the only eligibility requirement not met is a time requirement imposed by your institution.**

Fund	Account*	Program	Amount
			-

\*The account listed for Deferred Outflows should be the account where the advance is recorded on-system

**What questions do you have about  
Deferred Expenses?**

## Inventories

### General Information

- Inventories means consumable supplies either used in operations or held for resale that typically will be used or re-sold within one year. This should include, but not limited to, central facilities and auxiliary units for the physical plant.
- An inventory should be taken to determine the quantities held on June 30<sup>th</sup>.
- Inventories should be valued using the cost flow assumption most appropriate to each supply type and operation. The same cost flow assumption must be used each year.

## Inventories

- A "institutional cost center" is the aggregate of similar departments' inventories. For example, all postage, regardless of department or fund, should be combined. These aggregated amounts should be compared to the materiality threshold, currently set at \$100,000 per cost center. If the threshold is met, the balance would be disaggregated and reported at the fund/program code level, as done in previous years.

## Inventories

### Information to be reported by institutions:

- Any consumable supplies held by institutional cost centers (including postage, physical plant (maintenance, repairs and operations) and bookstores that were reported in the previous year. These items are included on the template, in addition to the cost flow assumption and the previous year's value. If the UW-Madison Controller determines that a cost center's previously reported inventory balance is immaterial, he/she can elect to not report that balance. Those amounts would then be expensed in the current year.
- Date of last physical inventory for postage, physical plant operations, and bookstores.

## Inventories

### Do not include:

- a) materials held by textbook rental libraries
- b) coal and fuel inventories (these are being reported by System Capital Budget)

### System Administration use of data:

- Financial Reporting will make an entry in the FIN\_RPT ledger to report supplies inventories on the balance sheet, and adjust the current year's expenditure totals in order to report supplies expense on a consumption basis. No changes will be made to the ACTUALS ledger.





**What questions do you have about  
Supplies?**

**Any other questions?**