

Portland State University
Early Preparation for Fiscal Year End Close
March 2, 2011

Accounts Receivable

Please review outstanding departmental accounts receivable. The longer a receivable is uncollected, the more difficult the receivable becomes to collect. Follow up with customers by phone and mail.

Also review non-SIS and Grants generated accounts receivable* outstanding balances. Accounts receivable should have a positive or debit balance or be zero. A negative balance (credit) in an accounts receivable account code usually indicates a posting error or other problem.

Also check non-SIS generated accounts receivable* balances that have not changed since last fiscal year end close. Generally, we would expect the accounts receivable balance to change during the fiscal year as new billings and payments are posted. No activity can be an indication of a problem.

*non-SIS and Grants generated accounts receivable are all accounts receivable account codes except A3002, A3003, A3212, A3213

Inter-Departmental Billings

Please be sure to stay current with inter-departmental billings. These transactions not only affect your budget, they affect the budget of other departments. It is preferred that inter-departmental billings be processed on a monthly basis, but at a minimum, they need to be processed quarterly. No inter-departmental billings for FY11 will be approved once the fiscal year is closed.

Vendor Credit Memos

Please review your department's outstanding vendor credit memos. Use credit memos against services or supplies well before June 30. If you are no longer doing business with the vendor or expect that it will be some time before your department uses the vendor, request a refund. Allow ample time for the vendor to process your request; it can take up to 60 days to receive a check. Check needs to be deposited at the Departmental Cashier window on or before June 30.

Negative expenditures (credit) and negative revenues (debit)

Please review your Budget Status report and look for negative expenditures (credits) and negative revenues (debits). These situations are opposite the normal accounting balance for this type of account code, which may indicate a posting or other problem. For example, a JV debits a revenue account code to move revenue to a new index, but there is no revenue in that index/account code, which then creates a debit balance which is opposite the normal credit balance. Fee Remissions, a contra-revenue account, and cost reimbursable contracts are exempt from the opposite normal balance accounting rules due to the nature of these accounts.

Service and Supplies Encumbrances

Please review your outstanding service and supplies encumbrances. Liquidate any encumbrances that are no longer valid. For example, invoice paid as a direct pay invoice and not applied against the encumbrance or the actual expenditure is less than the original encumbrance when the transaction is completed.