MEMORANDUM

TO: Officers, Deans, Department Heads, and Department Administrators

FROM: Laurie F. Melville, Controller

RE: Year-End Closing F/Y 2003-2004

DATE: May 12, 2004

The process of closing the University's books for fiscal year 2003-2004 has started. Key closing dates and particularly important deadlines are outlined below and in the attached closing schedule. Please take special notice of the changes in the cut-offs for salary and non salary journal entries.

Please share this document with the staff in your departments. I appreciate in advance your assistance for an orderly closing. For more information, please call me at ext. 2126 or e-mail me at lxm14.

EXPENDITURES NOT CHARGEABLE TO THE FEDERAL GOVERNMENT

Departments should conduct a "self-audit" to be sure that expenditures that are not chargeable to the federal government do not appear on Federal sponsored projects. If such charges are on the home department, they must be classified in the 9900 series of expense classifications. Journals should be submitted to process any reclassifications. Please refer to the memo from the Controller's Office dated May 14, 1996, on these expenditures. A copy of this memo may be found on the Controller's Office web page at http://www.cwru.edu/finadmin/controller/admin_corner/archive/m140596.pdf

CUT-OFFS FOR SALARY AND NON SALARY JOURNAL ENTRIES

• MAY 31 CLOSE
All original and correcting journal entries for salary and non-salary transactions that occurred between February 1, 2004 and April 30, 2004 must be submitted for processing no later than the May 31 close. Entries for activity that occurred prior to February 1 will be processed on an exception basis only. Please submit salary journals to Grants Accounting by 10:00 a.m. on Friday, May 28 and non-salary journals by 10:00 a.m. on Thursday, June 3. Grants Accounting is located in University West, Room 360. Please refer to the Cost Transfer Policy dated June 8, 1993 for information regarding allowable transfers. A copy of this document may also be found on the Controller's Office web page at http://www.cwru.edu/finadmin/controller/pdf/cost_trans_policy.pdf
CUT-OFFS FOR SALARY AND NON SALARY JOURNAL ENTRIES (cont’d)

• JUNE 30 (06) CLOSE
Only correcting entries for salary and non-salary transactions that occurred between May 1, 2004 and May 31, 2004 will be processed on the June 30 close. Correction for activity that occurred prior to May 1 may only be processed on an exception basis. The production of June financial reports will be delayed two to three days to allow the accrual for June payroll vouchers.

All "06" June salary journal entries must be in the Grants Accounting Office by 10:00 a.m. Wednesday June 30 so that the charges or credits may be incorporated into the "06" closing. All "06" June non-salary journal entries must be in the Grants Accounting Office by 10:00 a.m. Tuesday, July 6 so that the charges or credits may be incorporated into the "06" closing. Departments will have an opportunity to review the "06" June expense statements for adjusting, correcting, and/or closing entries.

• JUNE 30 (26) CLOSE
Salary and non-salary journal corrections of June “06” activity only must be submitted to Grants Accounting by 10:00 a.m. on Thursday, July 22.

INVOICES
To avoid an excessive volume of vendor invoices to be processed during the close, please be sure to process all invoices immediately. Otherwise, between now and 9:30 a.m. on Friday, June 30, all invoices in your possession are to be approved and forwarded as quickly as possible to Accounts Payable for June processing. Invoices received by Accounts Payable through 10:00 a.m. on Wednesday, July 7 will be reviewed and charged to the appropriate fiscal year based on the date of the invoice (see Purchases and Commitments Section). Accounts Payable is located in Cedar Avenue Service Center, Room 203.

PURCHASES AND COMMITMENTS
Accounts will be charged with the cost of materials and/or services in the fiscal year corresponding to the date of the invoice. Invoices dated July 2004 or later will be charged to the 2004-2005 fiscal year. If there are special circumstances to be considered in applying these cut-off procedures, please contact James Gannon, Accounts Payable, ext. 4694 or via e-mail at jmg6.

Open purchase orders will be listed as commitments on the June expense statement as in other months. It is important to review these commitments carefully to be sure that expenses are charged to operating accounts in the appropriate fiscal year. Please contact James Gannon, Accounts Payable, ext. 4694, or e-mail him at jmg6, prior to July 7, 2004 if you have questions concerning commitments appearing on your expense statements.

Please notify Accounts Payable of items received prior to June 30, 2004 that do not appear on your fiscal year 2003-2004 expense statements, or items appearing on your fiscal year 2003-2004 expense statements but not received by June 30, 2004. Your notification should include the account number including expense classifications, amount, PO or requisition number, description, and date received or paid. Accounts Payable can be contacted at ext. 4694 or via e-mail at jmg6.
John Lawyer, Director of Material Support will be sending a separate memo on specific details regarding Accounts Payable and Purchasing cut over to PeopleSoft.

PAYROLL VOUCHERS

All student payroll vouchers must reach the Student Employment Office, Room 417A Yost Hall by 10:00 a.m., June 17. All payroll vouchers for staff must reach the Payroll Office, University West, Room 357 (for overtime help) by 10:00 a.m., June 17, to be incorporated in the June 30 payroll.

CHECKS FOR GIFTS AND OTHER PAYMENTS

All June checks are to be deposited by on June 30. Checks processed through Grants Accounting should be delivered to Deborah Elam in University West, 3rd Floor by 1:00 p.m. on June 30. All other checks should be deposited with the Cashier's Office by 4:00 p.m. on June 30. All gift checks should be delivered to Development Services, Baker Building, Room 214, by 5:00 p.m. on June 30.

TRAVEL ADVANCES

All travel advances must be cleared from the books by June 30. For questions concerning travel advances, please contact Frank Basich, Accounts Payable, ext. 6092 or via e-mail at fmb by June 30.

EQUIPMENT GIFTS

If your department received gifts of equipment during fiscal year 2003-2004, please send a memo to James Gannon in the Equipment Accounting Department by June 11, briefly describing the equipment along with an estimate of the current value. Copies of appraisal documents supporting the valuation should be included, if available.

FREIGHT AND POSTAGE

All freight invoices for payment in this fiscal year must be forwarded to the Purchasing Department for processing no later than 5:00 p.m. on June 11, 2004. The postage meter in the mailroom is to be read by the mailroom supervisor at the end of the business day on June 30.

PETTY CASH

All petty cash funds must be reimbursed as of June 30 so that the petty cash expenditures can be applied against the 2003-2004 budget.

ITEMS NOT RELATED TO YEAR-END CLOSING

Please be certain that someone in your department is designated to authorize expenditures in your absence. The necessary forms for signature authorization can be obtained from Debra Delgado in the Controller's Office, ext. 4280 or via e-mail at dad25.

LFM/tr
SUMMARY OF YEAR-END CLOSING SCHEDULE F/Y 2003-2004

FIRST CLOSING "06" - NORMAL JUNE CLOSING

<table>
<thead>
<tr>
<th>Action</th>
<th>Cut-Off Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary, non-salary and correcting journals for June only:</td>
<td></td>
</tr>
<tr>
<td>Salary Journals to Grants Accounting</td>
<td>10:00 a.m. June 30</td>
</tr>
<tr>
<td>Non-Salary Journals to Grants Accounting</td>
<td>10:00 a.m., July 6</td>
</tr>
<tr>
<td>Vendor invoices to Accounts Payable</td>
<td>Immediately but no later than 10:00 a.m., July 7</td>
</tr>
<tr>
<td>Purchases and commitments (contact Accounts Payable)</td>
<td>By 4:30 p.m., July 7</td>
</tr>
<tr>
<td>Payroll Vouchers</td>
<td></td>
</tr>
<tr>
<td>For students to Student Employment</td>
<td>10:00 a.m., June 17</td>
</tr>
<tr>
<td>For staff to Payroll</td>
<td>10:00 a.m., June 17</td>
</tr>
<tr>
<td>Checks for gifts and other payments</td>
<td></td>
</tr>
<tr>
<td>Grants checks to Controller’s Office (University West)</td>
<td>1:00 p.m., June 30</td>
</tr>
<tr>
<td>All other checks to Cashier's Office</td>
<td>4:00 p.m., June 30</td>
</tr>
<tr>
<td>Gift checks to Development Services</td>
<td>5:00 p.m., June 30</td>
</tr>
<tr>
<td>Petty cash reimbursements</td>
<td>12:00 noon, June 30</td>
</tr>
</tbody>
</table>

"06" Financial Reports to Departments by July 13

SECOND CLOSING "26"

<table>
<thead>
<tr>
<th>Action</th>
<th>Cut-Off Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and non-salary journals</td>
<td>10:00 a.m., July 22</td>
</tr>
<tr>
<td>(these will be limited to entries correcting items appearing on &quot;06&quot; expense statements)</td>
<td></td>
</tr>
</tbody>
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"26" Financial Reports to Departments by July 27