

**University of Wisconsin System
SFS Accounting Manual**

Category: General Ledger Effective Date: July 1, 2004

Task or Process: **Fiscal year transition
policy/procedure for Funds 997 and 980** Revision Date: Revised annually as needed

Contact Information:

Name – Ernie Mergen

Email – emergen@uwsa.edu

Phone – 263-1044

The excel file shown at the end of this document illustrates the accounting transfer that needs to be done each year in July to set up the Pre-Paid fringe balances in Fund 980.

The old year transfer must be reversed in the new year so that the Pre-Paid amounts net to zero across the years. One coding change is needed in that new year journal. The DeptID code for the 6440 and 6444 (and related Cash offsets) should be 000980 instead of 980980.

When the payment to ETF is made on June 15, the Health and Life premium payment made then, as a charge to 980 in Accounts 7224 and 7223, relates to the payrolls processed in May-June. The Health and Life fringe expense from those payrolls must be charged to the new fiscal year because the accounting periods that are covered by those payments fall in the new year. Thus, the balances in 980 need to be moved from a "payable" code to a "pre-paid" code in the old year.

In the new year, the 980 "pre-paid" balances need to be cleared and the 980 "payable" balances need to be re-established so that they will offset the "deferred payables" that are included in the Health and Life fringe journals that originated from the May-June payrolls.

We do not have to establish any "pre-paid" balance amounts for Fund 997.

Establishing Carryover Balances for Funds 980 and 997 and Clearing the Balances in the New Year

1. When the balances from the old year are brought over to the new year as part of the SFS fiscal year close process, they must be moved to a special DeptID code that is just for "carryover balances"
2. A period 998 journal must be processed to move the end of fiscal year balances to the "carryover balances" DeptID codes. The carryover DeptID for Fund 997 is 000997. For Fund 980 it is 000980. Thus, the period 998 journal must move balances from DeptID 980997 to 000997 in Fund 997, and from DeptID 980980 to 000980 in Fund 980.

3. Someone in UWSA needs to verify that the final old year balances that SFS has for Funds 997 and 980 match the outstanding balances for those funds that are on the UW Central Payroll books.

4. In the new fiscal year, payments get charged that offset the 997 and 980 fringe balances brought into period zero from the prior year. The UW Central Payroll staff must identify those payments and send an excel spreadsheet to UWSA (attention Jeff Arnold).

5. UWSA staff must process new year transfers to move funds off of the "regular year operations" DeptID codes (980997 and 980980) and into the "carryover balances" DeptID codes (000997 and 000980) to bring the carryover balances to zero. Those transfers need to be completed by the end of the August accounting period. This shift between DeptID codes is needed so that the "regular year operations" DeptID codes will then carry the true outstanding balances that will be used for the monthly reconciliation between UW Central Payroll balances, SFS balances, and WiSMART balances.

EXAMPLE: Old Year transfer to move fringe balances to the Pre-Paid Account Codes (6440 and 6444)

Year	Source	Journal ID	Date	Unit	Fund	Program	Dept	Account	Amount	Line Descr
200x	DPD	JRPREPAYHL	7/1/0x	UWDPD	980	1	980980	7223	-273,391.24	Tfr yr end balance to pre-paid
200x	DPD	JRPREPAYHL	7/1/0x	UWDPD	980	1	980980	6444	273,391.24	Tfr yr end balance to pre-paid
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200x	DPD	JRPREPAYHL	7/1/0x	UWDPD	980	1	980980	7224	24,459,095.62	Tfr yr end balance to pre-paid
200x	DPD	JRPREPAYHL	7/1/0x	UWDPD	980	1	980980	6440	24,459,095.62	Tfr yr end balance to pre-paid