## Accounts Payable Accrual

**FYE 6/30/14**

Instructions: List all unpaid amounts ≥ $10,000 if goods or services (including subawards) were received through June 30, 2014. Include projections if actual amounts are not available.

<table>
<thead>
<tr>
<th>FO#</th>
<th>FA Name</th>
<th>Contract #</th>
<th>CFDA # or Invoice #</th>
<th>Processing</th>
<th>Actual</th>
<th>Payment</th>
<th>Comments</th>
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</tbody>
</table>

**Total**

*Indicate whether payment will be processed through RCUH, UH Disbursing or DAGS.

**DRAFT - for discussion purposes only**
April 29, 2014

Dear [Recipient Name]:

To prepare for the University of Hawaii’s fiscal year end closing on June 30, 2014, we would like to request that all invoices for any goods or services (including sub-awards) provided as of June 30, 2014 or prior be submitted to us no later than July 7, 2014.

We realize that your expense reports may not be finalized so soon after the month end, so reasonable estimates will be acceptable. However, please indicate any estimates being provided on the invoice and adjust to actual on the subsequent invoice.

Should you have any questions related to this yearend process, please contact xxx at xxx or xxx.hawaii.edu.

Thank you in advance for your assistance with our year end closing.

Sincerely,

[Your Name]
[Title]
University of Hawai'i
Fiscal Year End (FYE) 2014
Accounts Payable (A/P)
Accrual Process

Manoa Talk Story
May 8, 2014
Dawn Kim (ORS)
Karen Morimoto (GALC)
Maile Brooks (RCUH)
Agenda

• Coordinating the FYE A/P Process
• What is A/P?
• Significance of Recording A/P
• FYE 2014 Timeline for Recording A/P
• Field Responsibilities
• FYE Accrual Worksheet
• Follow Up Items
Coordinating the FYE A/P Process

• ORS, GALC & RCUH are working together to coordinate the FYE A/P accrual process
• Simplify the FYE process for the field
• Create a single worksheet (FYE Accrual Worksheet) for the field to report all A/P unpaid as of July 31, 2014, whether processed through UH, RCUH or DAGS
What is A/P?

- A/P represents amounts that UH owes (a liability we record on our financial statements (F/S)) to other parties for goods or services received as of June 30.
- A/P should be recorded even if we have not received an invoice – provide reasonable projections.
- Includes amounts owed to sub-recipients for work performed June 30 or prior.
- Includes retainage on construction contracts – amounts withheld on progress payments.
Significance of Recording A/P

• UH has a responsibility to record A/P to ensure financial statement reasonableness
• Significant Deficiency Audit Finding received in FY2013 A-133
• Repeat audit findings are unacceptable – appears that the University is unable to prepare accurate F/S and administer extramural awards, which jeopardizes future funding
FYE 2014
Timeline for Recording A/P

AP DEADLINE
Payments for FY 2014 goods/services must be entered by July 31, 2014.

|-----------------|-----------|--------------------------|-------------|

- Notify sub-recipients/vendors to submit invoices for FY2014 goods/services by July 31, 2014 in order for your unit to meet the July 31, 2014 AP payment processing deadline.

- As soon as FY2015 opens, begin processing payments on invoices for goods/services (including sub-awards) received June 30, 2014 or prior. Payments must be entered by July 31, 2014. Continue to follow up with your sub-recipients/vendors for any outstanding invoices.

- Complete and email to GALC, the FYE Accrual Worksheet for unpaid amounts ≥ $10,000 for goods/services (including sub-awards) received through June 30, 2014.
Field Responsibilities
May to July 31, 2014

• Begin notifying sub-recipients / vendors in May and June to provide you the invoices (projections/estimates if invoice cannot be provided) to meet the year-end AP payment deadline (sample letter available).

• Process payments for all applicable sub-recipient / vendor invoices for goods / services (including sub-awards) received through June 30, 2014, no later than July 31, 2014.
Field Responsibilities
August 1 to August 8, 2014

• Complete and email to GALC, a FYE Accrual Worksheet to identify “projected/estimated” amounts that remain unpaid for goods/services (including sub-awards) received through June 30, 2014
  – Threshold ≥ $10,000 (aggregate amount owed to vendor/sub-recipient)
  – Include amounts owed on construction contracts, including retainage

• Retain documentation (i.e. email correspondence, invoice estimate) that support projections reported on the FYE Accrual Worksheet
The FYE Accrual Worksheet will be available online - instructions will be sent out by GALC in early June

Required Fields (if applicable):
- FO #, FA Name, PO#, Contract #, Vendor / Sub-recipient, Service Date, Fund Type, KFS Chart Code, KFS Account #, RCUH Project #, KFS Obj Code / RCUH Bud Cat, Amount, Actual or Estimate, Invoice #, Payment Processing Unit

Optional Fields:
- CFDA #, Comments

Send completed worksheet to uhgalc@hawaii.edu by COB August 8, 2014

ORS, GALC and RCUH will use a shared portal to access the worksheets and applicable data required for preparing the F/S and A-133 Schedule of Federal Expenditures (SEFA)
Follow Up Items

- Feedback on FYE Accrual Worksheet format – email comments to dawnkim@hawaii.edu by May 15, 2014
- Webinar with specific instructions for processing A/P to be held in May
- A/P reporting tools will be available online (i.e. eThority report of sub-awards, sample letter)
- Announcements will be posted by ORS, GALC and RCUH