



## Annual Year-End Fact Sheets - Accounts Payable Reference Tool

This reference tool provides definitions, examples, and explanations which will hopefully be helpful when completing the Accounts Payable worksheet within the Fact Sheet Excel Attachment. If you have any questions as you read through this document, feel free to reach out to the applicable subject matter experts within University Accounting and Financial Reporting (UAFR) located in the link below:

- **Fact Sheets – UAFR Who to Ask List:** <https://www.obfs.uillinois.edu/accounting-financial-reporting/who-to-ask/types-questions#fact-sheets>

### **Accounts Payable - Definition**

**Accounts payable** are general ledger liabilities used to record obligations to pay **external** parties (**not** other University unit) who we owe money to as of June 30. This would include accounts payable due to vendors for goods or services received as of June 30 (but not yet paid for as of the final period 12 statements), as well as, accounts payable due to employees who have personally incurred expenses (including travel) for University business as of June 30 (but who have not yet been reimbursed as of the final period 12 statements).

**Note:** Since University Payables can backdate payment transactions to June 30 through the end of period 12, we do not suggest submitting Fact Sheets with accounts payable listed prior to the end of period 12. It is best to wait until the end of period 12 to verify whether or not University Payables was able to backdate your expense transactions to period 12. If they were able to backdate the transaction and if the related expense posted to period 12, then we would not want to record an accounts payable for this transaction. However, if the applicable expense did not get recorded to period 12, then that is when you would need to record an accounts payable on your Fact Sheet Excel Attachment.

### **Examples of What Should and Should Not Be Reported as Accounts Payable**

The following are some common examples of transactions that should be recorded as accounts payable on the Year-End Fact Sheet:

- Amounts owed to an external party for services (such as catering services, waste collection services, etc.) received on or before June 30 which have not yet been paid for as of the final Period 12 statements.
- Reimbursements owed to employees for University-related expenses which they have incurred and paid for with personal funds (such as travel expenses) on or before June 30 which have not yet been reimbursed as of the final period 12 statements.

- Amounts owed to an external party for goods (such as supplies) which the University has taken ownership of on or before June 30, but for which the University has not yet paid for as of June 30 (i.e., as of the end of Period 12).
  - **Note:** Determination of when the University officially takes ownership of the goods is dependent on the shipping terms outlined on the related purchase order, vendor invoice, or packing slip.
    - For example, if the shipping terms were **FOB Shipping Point**, then the University takes ownership once the goods leave the vendor's shipping dock, and the goods would belong to the University while in-transit.
    - However, if the shipping terms were **FOB Destination**, then the University takes ownership once the goods are received by the University, and the goods would still belong to the vendor while in-transit.
- Credit memos, rebates, and/or refunds owed to the University from vendors that the University fully expects to make purchases from in the future should be reported as negative payable on the Accounts Payable tab of the Fact Sheet Excel Attachment to ensure that they can be properly offset with other payables or future purchases from these vendors.

It is also important to be aware of common examples of transactions that should **NOT** be recorded as an accounts payable on the Year-End Fact Sheet, as we have seen units erroneously report these as a payable in the past. See below for examples of transactions which should **NOT** be reported as accounts payable:

- Amounts owed from other University units should **NOT** be reported as accounts payable on the Year-End Fact Sheets. In order to prevent overstating expenses on the University's financial statements, we do not record payables from other University departments, and only record payables from vendors and individuals external to the University (such as external vendors, employees, students, etc.)
- Amounts owed for credit card processing fees should **NOT** be reported as accounts payable on the Year-End Fact Sheet. These payables are recorded via a separate UAFR process, thus there is no need to report these amounts on your Year-End Fact Sheet.
- Amounts owed to an external party for goods (such as supplies) which the University has **NOT** yet taken ownership of as of June 30 should **NOT** be reported as accounts payable on the Year-End Fact Sheet.
  - **Note:** Determination of when the University officially takes ownership of the goods is dependent on the shipping terms outlined on the related purchase order, vendor invoice, or packing slip.
    - For example, if the shipping terms were **FOB Shipping Point**, then the University takes ownership once the goods leave the vendor's shipping dock, and the goods would belong to the University while in-transit.
    - However, if the shipping terms were **FOB Destination**, then the University takes ownership once the goods are received by the University, and the goods would still belong to the vendor while in-transit.
- Credit memos, rebates, and/or refunds owed to the University from vendors that we no longer expect to make purchases from in the future should **NOT** be reported as a negative

payable on the Accounts Payable tab of the Fact Sheet Excel Attachment. Instead, these amounts should be recorded as an accounts receivable on the Accounts Receivable tab of the Fact Sheet Excel Attachment.

## **Completing Your Fact Sheet**

Now that you've had an overview of the various definitions and examples which apply to this area, we are now ready to complete the Fact Sheet Excel Attachment. However, before we start to go through these required fields, please keep in mind the tips below:

- Make sure you are using the most recent version of the Fact Sheet Excel Attachment, which can be downloaded from the following web page:

<https://www.obfs.uillinois.edu/accounting-financial-reporting/year-end-procedures/fact-sheets/>

- When copying data over from another spreadsheet, paste the information into the Fact Sheet Excel Attachment using the **Paste Values** option. This will help ensure the formatting and formulas on the Fact Sheet Excel Attachment are not altered.

## **Step 1: C-FOAPAL Information**

Enter the complete C-FOAPAL in Columns A through G. This should be the same C-FOAPAL that you will use when making the eventual payment to the vendor or individual.

- The full C-FOAP (i.e., the Chart, Fund, Organization, Account, and Program code) is **required** to complete the year-end adjusting entries to Banner. However, the activity code and location code are optional.
- Enter an Account code which accurately reflects the activity of the transaction generating the payable. For example, if you owe a reimbursement to an employee for out-of-state travel expenses incurred, then we would typically expect to see an appropriate expense account code (such as 132200, "*Out-of-State Travel – Employee Reimbursement*") listed on the Fact Sheet Excel Attachment to properly reflect the nature of that transaction. If you need assistance in finding an appropriate Account code to use, refer to the *Account Code Search* application located in the web page below:
  - **Banner Account Codes Webpage:** <https://www.obfs.uillinois.edu/accounting-financial-reporting/banner-account-codes/>
- See the table below for an example of what we would expect to see listed for a full C-FOAP. As you can see in these examples below, each field is properly completed, and an appropriate expense account code is listed on each line to appropriately represent the nature of the transaction. In this example below, the first line item represents a payable for a reimbursement owed to a University employee who traveled out-of-state for University business (132200, "*Out-of-State Travel – Employee Reimbursement*"), while the second line item was for a payable owed to an external vendor for catering services received (142520, *Catering Services – Payment to Vendor*):

Chart	Fund	Organization	Account	Program
9	303000	123000	132200	123001
9	300300	123000	142520	123001

## **Step 2: Amount**

Enter the total amount owed for the accounts payable in Column H. Keep in mind that if the accounts payable relates to a transaction that may span a range of days (such as a service, subscription, membership, employee travel reimbursement, etc.), then make sure to enter the **total amount** of the payable as of June 30, along with the applicable date range in columns M – N (more on this later in **Step 6**). The spreadsheet will then factor in the total amount of the expense and will automatically calculate the correct amount of the payable based on the number of days in each fiscal year for that date range.

For example, if you owe an employee a travel reimbursement totaling \$1,200 for a University business trip that spanned from 6/26 thru 7/3, then you would enter the full \$1,200 into the *Amount* column, you would enter the applicable date ranges in columns M and N, and the spreadsheet would then be able to calculate the proper amount of the payable for you.

## **Step 3: Banner Document Number and Banner Transaction Date**

If available, enter the related Banner Document Number and Banner Transaction Date into Columns I and J. For example, if you owed an amount to an external vendor as of 6/30 and University Payables ended up processing the related expense report and paying the vendor in July of the new fiscal year, then you would have a Banner Document Number and Banner Transaction Date to reference in these two columns.

We would expect that this Banner Transaction Date (if available) would be in the new fiscal year, using the MM/DD/YYYY format. If the expense actually was paid on 6/30 or before of the prior fiscal year that we are closing, then it is not a payable.

See below for a few other tips to keep in mind when completing these two columns:

- Banner page FGIBDST can be used to drill down and search for the related Banner Document Number and Banner Transaction Date, if available. Simply go to the expense account code line item that you believe the expense may have posted to within the new fiscal year, and drill down to the detail using the F3 key.
- If a Banner Document Number and Banner Transaction Date is not available, simply leave these fields blank, or enter "Not Available".
- Make every effort you can to itemize your payables on a line-by-line basis if at all possible, and include any details you may have related to the payable (such as the TEM expense report number, any related Banner document number, etc.)
- If your accounts payable was paid via TEM, then enter the **TM** document number from Banner. If the **TM** document number is not yet available, then the expense report (ER) number would be helpful as well.

- If your accounts payable was paid via purchase order/requisition, then enter the **I** document number from Banner. If the **I** document number is not yet available, then the Purchase Order (PO) number would be helpful as well.
- Enter the Banner transaction date of the Banner document in a MM/DD/YY format. Note that you should be using the Banner transaction date, **not** the Banner activity date and **not** the check date.

See below for some examples of what we've seen in the past for these fields:

Banner Document Number <i>(if available)</i>	Banner Transaction Date <i>(if available)</i>
P000000	
TM020GBR	7/6/20
Not Available	Not Available

#### **Step 4: Name of the Vendor or Employee**

Enter the name of the vendor or employee in Column K. If you are listing a vendor, remember that we should only report payables from vendors who are **external** to the University, and not other University units. Also, if you are listing a payable for a reimbursement owed to a University employee, simply list that employee's name.

See below for some examples of reasonable entries for this field:

Name of the Vendor or Employee
Molly's Catering
ABC Sanitary
Joe Williams

#### **Step 5: Description of the Payable**

Enter the description of the accounts payable in Column L. Try to be as clear and transparent as possible. See below for some common examples of acceptable descriptions for this field:

Description of the Payable
Catering services for ABC Conference
Waste collection services for June
Reimbursement for travel to Washington to attend the XYZ conference

## **Step 6: Start Date and End Date of Service Period Covered by the Expense**

Enter the start date and end date of the service period covered by the payable in Columns M and N. Or, if you were purchasing goods instead, then enter the date that the University took ownership of the goods in both columns. For example, if the goods were shipped FOB Shipping Point on 6/29 (meaning that the University took ownership of the goods on 6/29), then you would enter that date in a MM/DD/YYYY format in both columns.

See below for some additional tips:

- The service dates should begin on or prior to June 30 of the fiscal year which we are closing. If the **start** date was any time **after** June 30, then the transaction should **not** be listed as a payable, as that transaction would relate to the subsequent fiscal year.
- If the payable relates to the sale of goods, then the start and end date would typically be the same date (i.e., the date that the University took ownership of the goods).

See the table below for some common examples, where the first line item is for the purchase of services spanning a range of days across fiscal years and the second line item is for the purchase of goods where the University took ownership on June 29:

Start Date of the Service Period Covered by the Expense or Date the Goods Were Acquired	End Date of the Service Period Covered by the Expense or Date the Goods Were Acquired
6/27/20	7/3/20
6/29/20	6/29/20

## **Step 7: Review the Calculated Amounts in Columns O - R**

Once you have completed all of the necessary columns on this spreadsheet, your final step is to review the amounts which the spreadsheet has calculated in the areas with yellow shading within Columns O through R. These are the calculated amounts which UAFR will be using to post the final adjusting entries to Banner. It is helpful to review these to get yourself familiar with the amounts that will be recorded to your Fund in Banner, as well as to make sure the amounts do not greatly differ from what you were expecting to see.

## **Step 8: Save and Upload the Fact Sheet Excel Attachment to the Fact Sheet Application**

The final step in this process is to save your updated Fact Sheet Excel Attachment (e.g., to your desktop or shared drive) and to then upload the completed Fact Sheet Excel Attachment to the Fact Sheet Application.

Also, before officially uploading your spreadsheet, be sure to review the other tabs of the Fact Sheet Excel Attachment to see if you have any other accruals, deferrals, or inventory for resale to report.

Then, once you have confirmed that all items have been properly added to your Fact Sheet Excel Attachment, you would then need to upload the updated spreadsheet to the applicable Fund's Fact Sheet within the Fact Sheet application and submit it to UAFR for review.

Note that UAFR commonly has questions, so also make sure that you are available for any subsequent questions that may come from UAFR.