University of Missouri System
Accounting Policies and Procedures

Policy Number: APM-3.40

Policy Name: <u>Month End Closing</u>

General Policy and Procedure Overview:

The University uses 12 Accounting Periods to represent the months of the fiscal year. When all transactions for a month have been created, edited, and posted, the period is closed and monthly financial reports are generated. The Office of the Controller (Controller's Office) manages the month end process and the opening and closing of accounting periods. This policy provides the steps and controls necessary to provide for closing every month.

Detail Policy and Procedure:

The Controller's office is responsible for running all month end allocations and reports and verifies that the General Ledger has been updated correctly. A control list is maintained to ensure that all processes for the month are completed and balances are posted. As each step is completed, the list is updated and initialed by the person executing that step.

The month end control list includes the following categories:

- Monthly Processing. This includes the biweekly, monthly and retiree payrolls as well as hospital salary accruals, vacation accruals, and payroll encumbrances. These payroll processes are run throughout the month and the dates they occur each month can be found on the monthly processing calendars. Other monthly processes include the investment income allocations, loading the outstanding check and paid check lists. These processes are run when the information is received from other sources and do not have a specific date on the calendar.

- Month End Preparation. This list includes preliminary reports, changes to run controls, opening the new month, and messages to be sent to users advising them of month end closing dates.

- Month End Processes. These are the different processes that are run to create allocations and depreciation journals.

- Month End Reviews and Validations. Queries are run to ensure all journals are balanced and posted, and total journal lines match ledger balances.

- Month End Closing. These are the procedures needed to physically close the month and notify users that the month is closed.

- Month End Reporting. This includes a checklist of month end reports to be run. Also included is the building of a new departmental organization tree and the synchronization of attributes to the tree.

After all steps and processes are complete, the control list is reviewed and signed by independent review in the Controller's Office. All month end control lists are maintained and kept in the Controller's office.

RESPONSIBILITY

Campus Offices:
- Campus Accounting, Budget, and OSPA offices are responsible for monitoring edit and budget errors on a daily basis to ensure that journals post in a timely fashion.
- All journals must be posted before the month end processing can begin.

Controller's Office:
- The Controller's office manages the month end process and is responsible for running all programs associated with payroll interfaces to the General Ledger and all month end allocations and reports.

Effective Date: July 1, 2006
Revised Date: May 14, 2007

Questions and Comments?

Questions regarding interpretation and implementation of the Accounting Policy should be directed to the Campus Accounting Office. Suggested edits or revisions to the policy should be directed to the Office of the Controller.