



CLOSE OUT YOUR SCHOOL'S FISCAL YEAR

**A CHECKLIST TO HELP YOU
KEEP YOUR DISTRICT'S
FINANCIALS ORGANIZED,
YEAR AFTER YEAR.**

At **Casey Peterson, LTD**, we understand that the end of your school's fiscal year is a busy time. Often, you have to juggle your year-end accounting procedures in addition to your regular duties.

We've created the following checklist as a way to help you wrap up your fiscal year so you're ready to head into your new year organized and with your information up to date.



01 CASH

- **Reconcile all bank accounts.**
 - Evaluate and correct any large and unusual reconciling items.
 - Make sure the ending balance on the bank reconciliation report agrees with the cash balances in the accounting records.
- **Gather copies of your year-end bank statements and reconciliations for your auditors.**



02 INVESTMENTS

- **Update your spreadsheets, recording all activity for the year.**
 - Purchases
 - Sales
 - Earnings
 - Gains/Losses
 - Etc.
- **Adjust ending value of investments in the accounting records to agree with spreadsheet and year end statements.**
 - **Make sure your total asset values agree, as do total return on investments and fees.**



03 RECEIVABLES

- **Generate reports of outstanding balances by category:**
 - Meals
 - Taxes
 - Grants
 - Etc.
- **Review reports for possible posting errors.**

One example to look for are payments not properly applied to balances.
- **Compare the total on aging report to asset balance in accounting records.**
 - Investigate differences and make corrections as needed.
- **Review listing for possible pre-payments of services (typically meal ticket sales).**
 - **Generate a list of those with pre-payments.**
 - **Record journal entry from receivables to unearned revenue.**
- **Review grant programs to determine amounts owed to your school at year end.**
 - Generally, costs will need to be accumulated and compared to receipts to date to determine amounts owed.
- **Record entry for receivables.**
- **Request reimbursement from funding source.**
- **Reconcile state remittance reports for grants and other programs to your general ledger for revenues and grant receivables.**



03 RECEIVABLES



Reconcile and adjust property tax receivables and deferred inflows.



Contact counties that levy taxes on your behalf to obtain the following information:

- Uncollected tax reports as of June 30, including current and delinquent taxes.
- Taxes levied for the calendar year within the district's fiscal year.



Use property tax reconciliation spreadsheet to determine the proper amounts to record for current and delinquent taxes receivable.

- Generally, these amounts will be what the counties report as outstanding at June 30 plus July collections.



Use property tax reconciliation spreadsheet to calculate deferred inflows of taxes.

Taxes for schools are levied on a calendar basis with the intent that half of each calendar year's levy will fund half of a district's fiscal year.

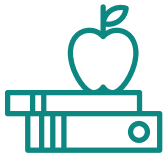
For example, 2019 taxes payable in 2020 will fund half of a district's 2020 budget and half of the district's 2021 budget.

With this in mind, if a district collects more than half of the current property tax levy at June 30, then the deferred inflows will be half the current tax levy. If a district does not collect half the levy before June 30, the amount deferred should be the uncollected tax less amounts collected by the district in July and August.

The deferred inflow in the government-wide statements should be half of the tax levy



Record all utility tax receivable based on amounts the state reported to your district by July of each year.



04 INVENTORY



On the last day of the year or the days leading up to the last day, perform counts of all inventory items. The counts should include:

- Supplies, including food service, cleaning, and general
- Food inventory
- Commodity inventory
- Vehicle fuel
- Heating fuel



Calculate value of inventory based on counts and cost per item using purchase history.



Adjust inventory balances in accounting records based on the calculated value of inventory.

- This will require a debit-to-inventory to increase the recorded balance or a credit-to-inventory to reduce the recorded balance.
- The offset to the entry will be a related supply expense account.





05

PROPERTY & EQUIPMENT



Review the previous year's depreciation schedules to identify items that have been disposed during the year.

- Identify proceeds received for items disposed (cash for sale or insurance).



Identify asset purchases during the year.



Gather information on purchases, including:

- Date of purchase
- Purchase price
- Estimated useful life of asset
- Area in which asset will be used
- Funding source used to purchase asset

You may want to review capital project funds and capital outlay fund purchases during the year to make sure you've identified all items.



Record as fixed assets only those items that meet the capitalization threshold.

- Your capitalization policy can be found in the audited financial statements, if you need a quick reference.



Make sure all purchased assets are entered in fund 90, with proper assignment of useful lives, depreciation method, and intended use of the asset, including:

- Instruction
- Support
- Curricular
- Etc.



05

PROPERTY & EQUIPMENT

- **Record all disposals of property and equipment in fund 90.**
 - Include proceeds received for disposals.
- **Update any spreadsheets that are used to track and calculate depreciation on groups of lower value similar type assets such as library books or computers.**
- **Calculate depreciation for the period.**
 - Verify asset and accumulated depreciation totals agree with the previous year's balances plus additions, less disposals.
 - Evaluate depreciation expense to determine that calculations appear correct.
- **Update all 90 accounts to reflect asset additions, disposals, and depreciation that are generated through the fixed asset module of your software and any spreadsheets that are used to track assets.**
- **Record transfers for items purchased by Capital Outlay for use in Food Service.**



06

PREPAID EXPENSES

- **Identify expenses that should be allocated monthly that may cross over year end, including insurance, subscriptions fees, computer licenses, etc.**
 - Create a list of the dates covered by such items and the payments made during the year for such expenses. Examples include:
 - Liability insurance policy covering 12-1 though 11-30
 - Paid in two installments on 12-1 and 5-1
- **Adjust prepaid asset balances to agree with schedule.**



07 ACCOUNTS PAYABLE

- **Generate reports of outstanding bills as of June 30.**
 - **Review the list for possible posting errors.**
 - Review the list for errors related to voided checks or payments not applied to bills previously recorded.
- **Accumulate a list of bills received after year end that related to goods or services received before year end.**
 - **Create an adjustment to record items on this list as payables.**
- **If there are any major projects in progress, review contractor bills for timing of services performed and possible retainage.**
- **Evaluate invoices for major equipment, and inventory or supply purchases for delivery date of items to determine proper recording.**





08 OTHER LIABILITIES

○ Evaluate timing of payroll for salaried and hourly staff to determine if the hours they worked before June 30 were paid in July.

- Also review contracts to determine which amounts are still owed to certified staff as of June 30.

— ○ Determine what portion of hourly wages were worked before June 30 and record that amount as a payable.

— ○ Include FICA taxes in amount calculated.

If you use Software Unlimited, contracts can be automatically accrued, and the portion of payroll related to June 30 can also be accrued when payroll is processed in July. It's important to review the amounts determined by SUI, as they are an estimate based on prior payroll history. We have found that these amounts are not always consistent with the actual payroll paid in July and August.



○ Accumulate unpaid leave balances for all staff as of June 30 to determine amounts owed to staff.

— ○ Verify balances are consistent with leave policies.

- If staff can only accumulate a set number of days, make sure there aren't any balances greater than that number.

— ○ Make sure wage rates for all staff are correct or wages rates used in making the determination are consistent with policy, sometimes the daily sub rate is used.

— ○ Evaluate these calculations by bargaining group, as different negotiated agreements will have different hours/days allowed and be paid at different rates.

- Typically, you would accrue any types of leave that would be required to be paid to staff should staff members leave the district's employment.

○ Review payroll deduction liabilities, and compare to actual payments made before the end of the year.

— ○ Adjust balance to agree with payments actually made.

○ Review unearned meal ticket payments.



09 PENSIONS

- Download and complete the most recent **School_GASB 68 Worksheet** from the **South Dakota Department of Legislative Audit website**.
- Enter data needed on the **Contributions & Covered Payroll Tab**.
 - You will want the PY copy of this document to update prior year data, and you will need current year submissions to SDRS that include the covered wages and district's portion of each month's contribution.
- Update on the **Calculations Tab** the information at the top, including **total Employer Contributions and Employer Proportionate Allocation**.
 - The Employer Proportionate Allocation is taken from the SDRS report on their website, which is updated annually.
- Enter prior year amounts on the **Change in Proportionate Share tab**.



10 LONG TERM DEBTS

- Review payments of principal and interest for long-term debt as recorded in **Capital Outlay or Debt Service Funds**.
- Make entries to **00 fund**, if needed, to reflect payments made during the year of principal on debt balances.
- Use annual report debt forms to show the debt payment activity in the current year. [THIS TEMPLATE AND MORE AVAILABLE ON OUR WEBSITE.](#)
- Reconcile the ending balances in debt accounts to support provided by debt holders and/or amortization schedules.
- Obtain any required actuarial valuations related to **OPEB or other benefits offered to staff**.
- Determine the need to accrue liabilities for any early retirement payments owed to staff.
 - You should review negotiated agreements to determine which bargaining groups may be eligible and assess future amounts owed based on the terms of the contracts.



11 FUND BALANCES & NET ASSETS



Review balances in equity accounts to make sure that they agree to balances presented in your prior year audit.

- If there are differences, investigate the difference, and post an entry to correct the error.



12 OTHER TRANSACTIONS



Review fund transfers to make sure that transfers between funds are documented with:

- Purpose
- Amount
- Funding
- Sources
- Board approval



Scan a comparison of the budget to actual reports and investigate any unusual items or significant budget overages.

- This may result in the need to recode items.



Scan a comparison of current year revenues and expenditures to prior year amounts and investigate any unusual items.

- This may result in the need to recode items.

WE'RE ALWAYS HERE FOR YOU

We're always here to work with you to find solutions to whatever you're challenges you face.

Thank you for all you do to make sure the next generation is prepared for the future!

If there's anything we can do for you or any questions we can answer, please don't hesitate to reach out.

PHONE Rapid City 605-348-1930
 Gillette 307-682-4795

WEBSITE caseypeterson.com

SOCIAL

