**Glasgow Caledonian University**

**Financial Year 2021/22 Guidance**

Under accounting rules, we must attribute income and expenditure to the correct financial year. The University’s Financial Year 2021/22 runs from 1 August 2021 to 31 July 2022.

The instructions below outline the steps to be considered to ensure income and expenditure is included in the correct financial year for all cost centres and projects of the University and subsidiary companies.

**What needs to be considered prior to the year end (31 July 2022)?**

The Finance phase of the SIMS/SITS project will be due to go live on 1 August 2022. Due to this activity, normal year end timings have had to be reviewed with certain activities being brought forward and others extended as appropriate. It is important that these new dates are adhered to ensuring a both a successful go-live and year end.

**Materiality**

We do not make income or expenditure adjustments for minor amounts. As a guideline you only need to request adjustments for income or expenditure items exceeding £1,000 per order/ invoice.

**Income**

The allocation of income into the correct financial year is important. All income will be recognised, in the first instance, in the actual month the invoice is raised or, if non-invoiced income (e.g. SFC grant income, ARC income, library fines), the month of receipt.

There will be occasion when income invoiced or received in 2021/22 relates to 2022/23 or even later years. If unadjusted, this income would be recognised in advance at the financial year end. It should therefore be deferred from 2021/22 to 2022/23.

The reverse will also occur where, due to timing, income to be invoiced or received in 2022/23 relates to 2021/22. The part relating to 2021/22 should be accounted for in 2021/22 asaccrued income at 31 July 2022.

**Examples of Year End Income adjustments:**

* **Deferred Income (Income received in Advance):**

**Income for a conference taking place at GCU in September 2022 (2022/23) has been invoiced in advance in June 2022 (2021/22)**

The correct financial year is 2022/23, as this is when the conference will take place, and thus an adjustment to defer the income to 2022/23 is required.

* **Accrued Income:**

**Income for a course run in June 2022 (2021/22) is invoiced in August 2022 (2022/23), after the course is run.**

The correct financial year is 2021/22, as this is when the course was delivered. The invoice will be posted to 2022/23 but an adjustment to recognise the income in 2021/22 is needed.

**To ensure income is recognised in the correct financial year an adjustment may be required. Please return details on Form 3 Accrued Income and/ or Form 4 Deferred Income, with supporting documentation showing delivery of the service / goods, to Agnes Russell by 11 August 2022 (materiality £1,000). Adjustments will not be processed without supporting documentation.**

**Expenditure**

**Budgets cannot be carried forward to 2022/23.**

**To ensure expenditure is allocated to the correct financial years please adhere to the following:**

**Expenditure – Pecos Orders**

For orders that have been receipted in Pecos prior to 22 July 2022, the expenditure will automatically be charged to the appropriate expenditure account in 2021/22**.** It is important that all orders for goods and services received by 31 July 2022 are receipted in Pecos as **orders** **receipted after 22 July 2022 will automatically be included in expenditure (and against budgets) in 2022/23. Therefore please exercise a level of judgement when looking at whether to receipt an item or not.**

**Receipting at the Year End:**

* **Goods/services are received in July 2022 but the suppliers invoice has not been received at 31 July 2022**

The correct financial year is 2021/22, as this is when the goods/ services were delivered. The goods must be receipted by 22 July 2022 to be included in 2021/22.

* **An order has been sent to a supplier in July 2022, but goods/services are not received until August 2022**

The correct financial year is 2022/23, as this is when the goods/ services were delivered. The goods must not be receipted until they are received in 2022/23.

**If you become aware of items delivered before 31 July 2021 which have not been receipted in Pecos by 22 July 2022, please return details on Form 1 Creditors to Agnes Russell by 11 August 2022 to arrange a manual accrual (materiality £1,000). A Goods Received Note/ Delivery Note will be required to be sent with the form to support the adjustment. Pro forma invoices will not be accepted.**

**Expenditure – Non Pecos Orders**

It is important invoices for goods or services supplied prior to 31 July 2022, which have not been ordered via PECOS, are authorised, and returned promptly to Accounts Payable in Finance. Please ensure that all members of staff involved in the approval of invoices are made aware of the need to complete their part in this process as quickly as possible.

**If you are aware of 2021/22 invoices (relating to a non-Pecos orders) that have not been received, authorised, and returned to Accounts Payable by 19 July 2022, return the details on Form 1 Creditors to Agnes Russell by 11 August 2022 to arrange a manual accrual. A goods received/ delivery note will be required to support the adjustment (materiality £1,000).**

**Expenditure – Staff IExpenses (including Visa)**

All IExpenses claims, for expenses incurred prior to 31 July 2021, must be entered, **and** approved by Operational Services by 25 July 2022. It is important that line managers approve the claims and forward all receipts to Operational Services by 25 July 2022 to ensure the expenditure is recorded in 2021/22.

**If you are aware of 2021/22 IExpense claims that have not been submitted/ approved by 25 July 2022, return details on Form 1 Creditors (do not include credit card related claims) to Agnes Russell by 11 August 2022 to arrange a manual accrual. Receipts will be required to support the adjustment (materiality £1,000).**

**Expenditure - Prepayments**

Prepayments are accounting entries that are posted to your cost centre/ project accounts to allow us to attribute expenditure to the correct financial year. A prepayment is a payment *in advance* of the period to which it pertains.

**Examples of Prepayments:**

* **At the 1 April 2022, a subscription for the period 1 April 2022 to 31 March 2023 becomes due and is paid.**

At the financial year end part of this subscription is a **prepayment.** At 31 July 2022, 8 months subscription has been paid **in advance for next year**.

**Prepayments for material invoices are adjusted for monthly by Finance however, if there is no adjustment through your cost centre or project report and you believe there should be one; please return Form 2 Prepayments to Agnes Russell by 11 August 2022.**

**Why are these steps important to me?**

**If there are any erroneous transactions in your cost centre or project, then it may not be possible to correct them later impacting your 2021/22 and/ or 2022/23 budget position.**

**CONTACTS FOR QUERIES**

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