

## Fact Sheet Overview

A Fact Sheet must be submitted for each self-supporting or dental/nursing/occupational health service plan fund by **5 p.m. on July 20, 2018**.

All supporting documentation should be kept within your department for subsequent review.

Use the current year's Fact Sheet Excel Attachment linked within the Fact Sheet application to report any applicable information related to accounts receivable, inventory for resale, publications inventory for resale, prepaid expenses, accounts payable, and/or unearned revenue. Do **not** use a Fact Sheet Excel Attachment file from prior years, as files from prior years do **not** have the necessary updates that we need for proper reporting.

The Fact Sheet application contains the following elements, each of which must be addressed:

### 1. Fact Sheet Information

Provide fund code, title, description of fund activities/purpose of the fund, and the Financial Manager's name.

### 2. Fund Termination

Indicate if the fund should be terminated after the current fiscal year and describe the plan to remedy the balance or deficit in the fund. If the fund is in deficit and you wish to terminate it, please provide an applicable local C-FOP to which we can transfer the excess expenses.

### 3. Accruals, Deferrals, and/or Inventory for Resale

Provide accrual, deferral, and/or inventory for resale amounts to report from the list below.

Eligible Items to Report:

- Accounts Receivable

Accounts receivable are general ledger assets used to record sales made on credit to external customers (not other University departments) for goods or services which have been delivered to or used by the customer as of June 30, but for which the customer has not yet paid us as of June 30.

Uncollectible accounts receivable (also known as an allowance for doubtful accounts) are general ledger contra assets that offset total accounts receivable. They are used to record receivables that are highly unlikely to be collected due to a customer who is either unable or unwilling to pay.

Note: Only report receivables and uncollectible amounts which have not yet been recorded to the applicable 53nnn receivable account codes in Banner as of the final period 12 statements. Also, if your accounts receivable are managed through the USFSCO Banner Accounts Receivable (AR) module, then please do not report any of your receivable information on this tab. The Banner AR module will ensure all receivables and uncollectible amounts are properly recorded in Banner for those sales.

However, if your unit has been granted an exemption from using the Banner AR module and if you maintain your receivables outside of Banner AR, or if you do use Banner AR but simply missed the June 30 deadline to enter your AR information into Banner AR, then please report your applicable receivable information below.

- **Inventory for Resale**

Inventory for resale is a general ledger asset used to record the value (at lower of cost or market) of unsold goods and materials held for resale to both external and internal customers (such as other University units). Examples of inventory for resale include merchandise held for resale, raw materials used in creating a product for resale, finished/unfinished products held for resale, etc. Note that if the expected selling price (i.e., the fair market value) of the inventory for resale is below the original cost, then the inventory for resale should be valued at the fair market value (as opposed to the original cost). This ensures the inventory is valued at the lower of cost or market.

Note: Inventory for resale only includes items which are truly held for resale; it does not include general operating supplies, equipment, etc. used in a unit's daily operations.

Also, note that all units with inventory for resale must annually conduct physical inventory counts of their merchandise on hand, and accurate inventory balances as of June 30 are required to ensure accurate financial reporting for the University's audited financial statements. If a physical inventory count is not able to be performed as of the close of business on June 30, then any inventory purchases and sales activity from the date of the physical inventory count through the close of business on June 30 must be tracked in order to arrive at the correct ending inventory balance as of June 30.

- **Publications Inventory for Resale**

Publications are tangible issues of printed material (such as books, pamphlets, journals, magazines, cookbooks, etc.) issued for sale to both external and internal customers (such as other University units). The publication date is the date that the publication was published or issued for public sale.

These publications are classified as publications inventory for resale, which is a general ledger asset used to record the value (at lower of cost or market) of unsold publications held for resale. If the expected selling price (i.e., the fair market value) of the

publications inventory for resale is below the original cost, then the publications inventory for resale should be valued at the fair market value (as opposed to the original cost).

Note: Publications inventory should be recorded to general ledger account code 55063 ("Publications Inventory") in Banner. Also, in accordance with past practices, if the publication is no longer sold on a regular basis and if there is not an ongoing demand for the publication, then the publication is depreciated by 25% for each year following the publication date (i.e., the date which a publication was originally published or issued for public sale). This allows the inventory value to be written down to the lower of cost or market.

Also, take note that all units which have inventory for resale (including publications inventory for resale) must annually conduct physical inventory counts of their merchandise on hand, and accurate inventory balances as of June 30 are required to ensure accurate financial reporting for the University's audited financial statements. If a physical inventory count is not able to be performed as of the close of business on June 30, then any inventory purchases and sales activity from the date of the inventory count through the close of business on June 30 must be tracked in order to arrive at the correct ending inventory balance as of June 30.

- Prepaid Expenses

Prepaid expenses (also known as deferred charges) are general ledger assets used to record payments made to external parties (not other University units) in the current fiscal year for goods or services where the related benefit is received in a future fiscal year. Common examples of prepaid expenses are:

- Payment of an annual membership fee in the current fiscal year where a part or all of the membership term falls in the following fiscal year;
- Payment of an employee's travel voucher in the current fiscal year when a part or all of the employee travel occurs in the following fiscal year; and
- Payment in the current fiscal year for goods or services related to a revenue-generating event which will be held in the following fiscal year (such as purchasing conference supplies or paying for brochure-printing services in the current fiscal year for a revenue-generating conference that will be held in the following fiscal year).

Note: Only report prepaid expenses which have not yet been recorded to the applicable 55nnn prepaid expense (deferred charges) general ledger account codes in Banner as of the final period 12 statements. Also, if the prepaid expense relates to a service, subscription/membership, or employee travel which spans a range of days, then enter the total amount paid to the vendor or employee on or before June 30 in column H while entering the related start & end dates in columns M & N. The spreadsheet will then

automatically calculate the correct amount of the prepaid expense based on the number of days in each fiscal year for that date range.

- Accounts Payable

Accounts Payable are general ledger liabilities used to record obligations to pay external parties (not other University departments) 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). Common examples of accounts payable are:

- Goods or services received from vendors/suppliers on or before June 30 but not paid for as of the final Period 12 statements;
- Reimbursements due to employees for University-related expenses they have incurred (such as travel expenses) as of June 30 but for which they have not yet been reimbursed as of the final period 12 statements; and
- Goods shipped by vendors prior to July 1 and received by the University on or after July 1 where the shipment terms are FOB shipping point (which means the University takes ownership of the goods once they are shipped) and which the University has not yet paid as of the final Period 12 statements (note that shipping terms can be found on the related purchase order or related vendor invoice/packing slip).

Note: Only report accounts payable which have not yet been recorded to the applicable 61nnn accounts payable general ledger account codes in Banner as of the final period 12 statements. If possible, please itemize your payables and include any details you may have related to the payable, such as the TEM expense report number, any related Banner document number, etc. Also, if the payable relates to a service, subscription/membership, or employee travel which spans a range of days, then enter the total amount of the payable as of June 30 in column H while entering the related start & end dates in columns M & N. The spreadsheet will then automatically calculate the correct amount of the payable based on the number of days in each fiscal year for that date range.

- Unearned Revenue

Unearned revenue (also known as deferred revenue) is a general ledger liability used to account for revenue recorded in Banner on or before June 30 from sales made to external customers (not other University units) which will not be earned until the following fiscal year (i.e., the goods or services will not be provided to the customer until the following fiscal year).

For example, if a department recorded revenue in Banner during May for the sale of a membership subscription which has a term ranging from June 1st of the current fiscal year to May 31st of the following fiscal year, then 11 months of this membership subscription revenue (i.e., the 11 months ranging from 7/1 - 5/31 of the following fiscal year) won't be earned until the following fiscal year. Thus, we would need to defer that amount of revenue in the current fiscal year to the following fiscal year, since that is the year in which the revenue will be earned.

Note: Only report unearned (deferred) revenue amounts which have not yet been recorded to the applicable 617nn general ledger account codes in Banner as of the final period 12 statements. If a service has been sold where the date range of services spans a range of days, then enter the entire total amount of revenue in column H and then enter the applicable start and end dates of the service sold in columns M and N. The spreadsheet will then automatically calculate the correct amount of unearned revenue (i.e., the portion of the revenue related to providing the service after June 30).

Finally, note that unearned (deferred) revenue should not be confused with "surplus" income from prior sales which have already been fulfilled. Also, unearned (deferred) revenue should not be confused with the self-supporting fund's ending fund balance.

Detailed definitions and examples of each area listed above are available on the ["Fact Sheet Excel Attachment.xlsx"](#).

If you selected "Yes", then download, complete, save, and attach the ["Fact Sheet Excel Attachment.xlsx"](#) file to this Fact Sheet. To attach the completed file, click the "Browse" button below, find your saved file, and click the "Open" button to upload this file to the application. Once your completed file has been attached, then click the "Save" icon and click "Submit" to complete your Fact Sheet.

#### **4. Submitter Comments (optional)**

Provide any additional information relative to your fund.

#### **5. Contact Information of Submitter**

Provide the name, email, and phone number of the submitter in order for UAFR to contact with questions.