THE UNIVERSITY OF TENNESSEE SYSTEM

CONTROLLER'S OFFICE

**TO:** Chief Business Officers

**FROM:** Karen D. McKee, Controller *Karen D. McKee*

**DATE:** April 30, 2026

**SUBJECT:** Year-end Closing Procedures and Schedule

Enclosed is the schedule for processing year-end documents for June 30, 2026. This schedule is provided for your information and guidance as you schedule the year-end activities in your areas of responsibility. A pull-off reminder schedule is included as the last page of this document for your convenience. Please remember that our objective is to record all revenues, disbursements, and encumbrances in the proper fiscal year.

## Payroll Office

All salary or additional/overtime pay to be charged to FY2026 must be paid through the normal payroll cycles prior to July 1, 2026. Personnel Information Forms (PIF's) and pay adjustment forms to be reflected on the June monthly payroll must be received in the Campus HR/Payroll Office by **Friday, June 12.** PIF's for the biweekly pay period ending June 15 are due **Sunday, June 14** .

To be included in the current fiscal year, send payroll checks to be cancelled and salary transfer vouchers to the University Payroll Office by noon **Wednesday, June 10**. The Controller's Office will record wages and benefits in period 12 for the June earnings of the biweekly paid on July 8.

## Labor Schedule/Distribution

All Labor Schedule/Distribution changes for FY26 should be completed and approved by **Monday, July 13**, to ensure posting in FY26. **Central finance offices should also work to resolve all balances in the Labor Distribution clearing fund 1200015 by this date.** The following reports on the UT Reporting Dashboard will aid in this process:

**Labor Distribution**

Labor Distribution Report
Payroll and LD Cost Audit Report
Assignments with no Labor Schedule Report
Labor Schedule in Submitted Status Report
Schedules with Projects ending in 'X' Days
Schedules ending in 'X' Days Report
Pay Costs LD Mismatch Report

## Cash Receipts

Funds will be reported in the fiscal year in which the deposit appears on the bank statement. Items that are mis-keyed, unreceipted, or entered but undeposited may hinder bank reconciliation and result in delayed closing of FY26. Attention to detail, accuracy, and timeliness are essential to appropriate cash postings. Receipts should be entered with an accounting date of the date the funds were actually deposited at the bank. All items that are posted at the bank **July 1, 2026,** and forward will appear on FY27. It is imperative that departments process all bank deposits accordingly. See DASH Receivables Job Aids.

Deposits received prior to July 1, 2026, but not deposited until July 1, 2026, or after, are considered deposits in transit. The Controller's office needs to be notified of any deposits in transit by July 8, 2026. This notification should include, at minimum, receipt date, deposit date, receipt number, amount, bank account name, and department contact. Please send to controllerdocs@utk.edu.

## Accounts Receivable

AR balances should be updated monthly in DASH per policy. The final AR balance update for period 12 must be completed by **July 9, 2026**. Please instruct all departments in how to handle outstanding June 30 accounts receivable balances at year end, regardless of whether the department has an existing receivable account. Also, please remind all departments of the requirements for writing off accounts receivable. All write off requests for invoices not created in DASH must be received in the Controller's Office by **July 9**. For invoices created in DASH, write-off requests must be submitted and approved by **July 9**. DASH write-off requests will be submitted as an adjustment to the invoice. Contact AR@tennessee.edu for assistance with the DASH write-off process.

## Accounts Payable Office

**Invoices Entered by Departments:** All items that are to be charged to FY26 must be entered and fully approved by midnight on **July 10, 2026**. Any items that require final approval by UTSA's Accounts Payable Office must be entered and approved by the department by **July 6, 2026**.

**Items Entered by the UTSA's Accounts Payable and Travel Offices:** Invoices in foreign currencies and other disbursement items normally sent to Accounts Payable for processing must be received in the UTSA's Accounts Payable Office by the close of the third working day in July, which is **Monday, July 6**. The final processing of these documents will be the seventh working day of July, or **Friday, July 10.**

**Items Routed to and approved by Campus Business Offices/UTSA's Accounts Payable and Travel Offices:** All items reviewed and approved by Campus Business Offices and/or the Accounts Payable and Travel Offices (Expense reports, Contract Requisitions, foreign vendor invoices) must be in the DASH inboxes of the CBO/AP/Travel Offices by the close of the third working day in July, which is **Monday, July 6**. The final processing of these documents will be the seventh working day of July **Friday, July 10**.

**Procurement Cards and Travel Cards:** In DASH, all card transactions are reconciled by processing on an expense report. Expense reports must be approved, audited and processed in Payables to be posted. We recommend completing any purchases that need to be on FY26 by **June 25** to give time for processing by the vendor and bank. Any card transactions for FY26 will need to be submitted on an expense report and fully approved and audited by **Friday, July 10**. This means that any expense report that needs to be posted to FY26 will need to be to the Expense Auditors (step after any departmental/Project/CBO/CFO approvals) by **Monday, July 6** to allow for time to audit.

**Petty Cash:** Petty cash funds should be reconciled frequently to ensure that the cash on hand and expenditure receipts equal the amount of the petty cash fund. In addition, the fund must be reconciled at the end of each fiscal year (June 30). Departments will receive a letter, reconcilement forms, and instructions at year end. The forms need to be completed with attached copies of vouchers in transit, bank account statement, and any other information pertaining to the reconciliation. To avoid suspension or fund closure, please submit these forms to the Accounts Payable Office by **July 9**. Petty cash funds are subject to audit by university and state auditors.

**Travel:** Any travel ending July 1, 2026, or later, will be charged to FY27.

**Chief Business Officers should arrange for frequent submission of items ready for processing and immediately initiate procedures to obtain proper resolution and disposition of "problem items."**

## Undelivered Checks

Undelivered Checks that will be more than twenty-one (21) days old at June 30 should be returned to the Office of Finance with the returned envelope. These checks should reach the office indicated below no later than **Wednesday, June 10, by noon**.

Payroll Checks: Must be returned to the Payroll Office, UT Tower #912, 505 Summer Place.

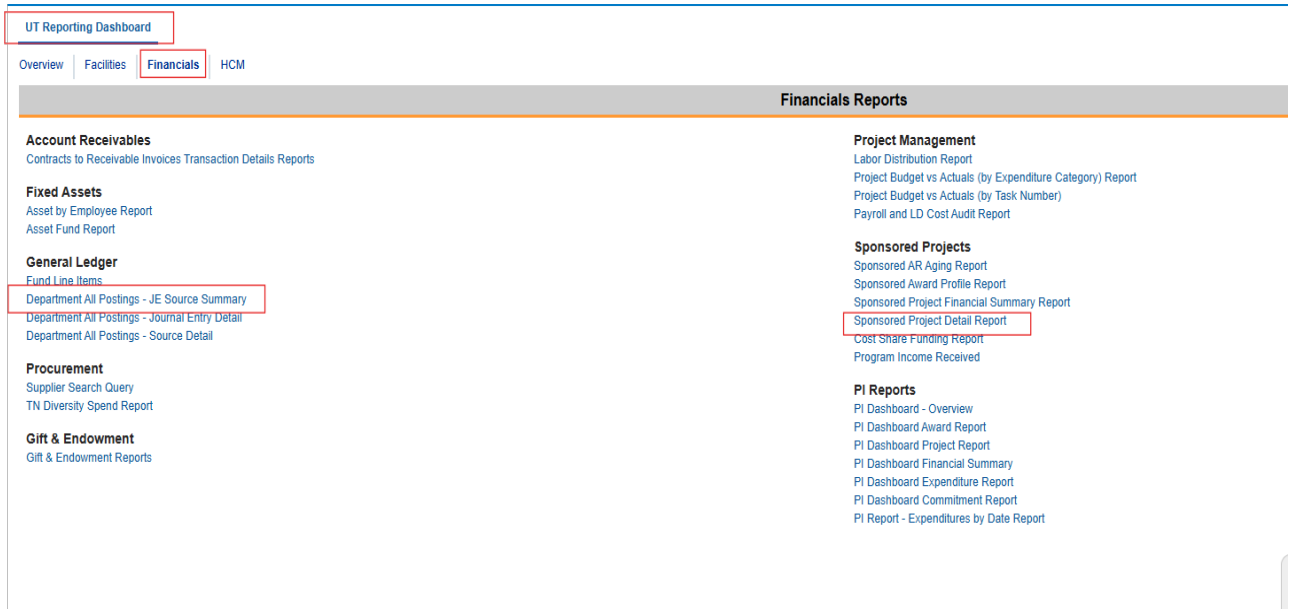
Voucher Checks: Must be returned to the Accounts Payable Office, UT Tower #1015C, 505 Summer Place.

Miscellaneous Checks: All financial aid checks and other miscellaneous checks must be returned to the Accounts Payable Office, UT Tower #1015C, 505 Summer Place.

## Controller's Office

The schedule established for the various stages of the year-end closing process by the Controller's Office is as follows:

1. Departments may run a detail report for June 30 at the close of business on **Wednesday, July 1** using DASH transaction Report 50 (All Postings).




The detail report will include:

(a) Invoices which have been posted through Tuesday, June 30.

(b) Interfaces which have been processed through Tuesday, June 30.

(c) Manual Journals which have been processed through Tuesday, June 30.

(d) Payroll transactions based on active labor schedules received by Sunday, June 14 will be included in this report.

(e) Cash receipts to the extent they have been reconciled for posting.

The detail report should be reviewed so that any necessary corrections and/or adjustments can be processed in time to be reflected in accounting period twelve.

2. June 2026, period 13, and July 2026, period 1 of FY27, will be opened June 22nd for purchasing and financial transactions. New year items in hand should not be processed in DASH until this date.

3. The Accounts Payable office will delete or carry forward all remaining financial payment documents on July 10.

4. Any FY26 unposted manual journals still on hand at July 13 will be withdrawn.

5. Cost Sharing entries related to Sponsored Projects need to be posted by Monday, July 13.

6. The accounting close for the month of June (period 12) is scheduled for the fifteenth working day of July, or **Wednesday, July 22**.

**Accounting period 13 is designed for final adjusting and closing entries only. Regular business transactions should be completed by the close of period 12.**

7. After the close of June, period 12, only corrections, adjustments, closing transfers and journal entries will be accepted for processing against the current fiscal year records.

8. Additional potential restricted and unrestricted accounts payable will be identified and sent by **July 24, 2026,** to each CBO for confirmation. Restricted payables should receive priority.

9. All entries need to be posted by **Friday, July 31** and the Controller's Office will attempt the final closing of this fiscal year's records by **Friday, August 21.**

Please contact the Controller's Office immediately at (865) 974-2493 if unusual needs or situations arise which require special handling or consideration and materially impact financial information.

## Procurement

**May 1 is the deadline for requisitions and supporting documentation to be submitted to Purchasing**. This deadline must be met for purchase orders to encumber funds by June 30.

Due to historical and expected volume this year-end, departments are encouraged to submit all procurement requests (NCJ's - both contract and requisition, requisitions and all supporting documentation) as soon as possible. Beginning on May 1, all requests will be processed in the order received and rush or expedite requests will need to be supported with justification and subject to Purchasing approval.

During the first two weeks of June, all departments must review their purchase requisitions and purchase orders that have an outstanding balance in FY26. After the department identifies obsolete requisitions and purchase orders (those for goods or services they do not intend to receive or have already received), they must contact their campus purchasing office to close "finally" (**not** delete) the documents.

All commitments (encumbrances) not closed by departmental action in FY26 will remain as a commitment in FY27. Please note, there is **no** automatic "clean-up" of commitments at year-end.

Encumbrances are based on the creation date of the purchase order. For goods or services that will be delivered after June 30, departments must enter the requisition on or after July 1, so the purchase order will encumber next fiscal year's funds.

## Reserve for Encumbrances

The Reserve for Encumbrances represents an allocation of the current fund balance equal to material outstanding purchase orders as of June 30. The only purchase orders that should be outstanding at June 30 are those for which funds are available in departmental budgets at year-end.

The purchase order file, after final June 30 checks have been de-obligated, will be the initial basis for the Reserve for Encumbrances. Each business officer should generate and review their outstanding purchase order list for each budget entity. After eliminating amounts representing purchase order payments which are accrued as accounts payable, the remaining purchase orders in the amount of $2,000 or more will be used to establish the Reserve for Encumbrances.

CBO's have the option to add purchase orders less than $2,000 to the reserve by sending an itemized list to the Controller's Office per their campus procedures for the Reserve for Encumbrances. The Controller's Office will eliminate the Reserve for Encumbrances and increase the budget entities' fund balances at the beginning of the new fiscal year.

## Closing Remarks

In view of the volume and diversity of transactions which must be processed and recorded during the closing process, it is essential that all Business Offices cooperate fully in the timely submission of closing information.

Please distribute this memorandum to all business personnel in your area who are involved in the year-end closing process in order that they may be aware of the target dates which have been established for the various stages of the closing process. Thank you for your cooperation.

KDM:dt

Attachment

# OFFICE OF FINANCE
# SCHEDULE OF YEAR END ACTIVITIES
# FOR YEAR ENDING JUNE 30, 2026

| DATE | ACTIVITY |
|---|---|
| May 1 | - Deadline for requisitions and supporting documentation to be submitted to Purchasing for purchase orders to encumber funds by fiscal year-end. |
| June 9 | - 25th bi-weekly payroll paid |
| June 10 | - Deadline for salary transfer vouchers<br>- Deadline for payroll checks to be canceled to be returned to Payroll<br>- Deadline for all undelivered checks (over 21 days old) to be returned to Accounts Payable Office<br>- Deadline for moving allowances to be paid and posted in this fiscal year |
| June 12 | - Deadline for June monthly payroll forms |
| June 14 | - 26th bi-weekly payroll period ends<br>- Deadline for FY's 26th bi-weekly payroll forms |
| June 22 | - Period 13 (FY26) and Period 01 (FY27) will be opened for financial transactions |
| June 25 | - Deadline to distribute, reconcile, marked complete, and approve May 2026 procurement card charges<br>- Last day to make procurement card purchases for FY26 |
| June 30 | - June monthly payroll paid<br>- Procurement card transactions (for June) available to verify and approve |
| July 6 | - Deadline for receipt by the UTSA's Accounts Payable Office of all documents entered/processed in DASH by the Accounts Payable Office including invoices and other disbursement documents<br>- Deadline for receipt into the Workflow Inbox of UTSA's Travel Office of fully approved FY26 DASH travel transactions |
| July 8 | - Deadline for notifying Controller's Office of any deposits in transit |
| July 9 | - Deadline for petty cash reconcilement reports<br>- Deadline for accounts receivable write-off requests |
| July 10 | - Final posting of FY26 accounting and travel documents by UTSA's Accts Payable and Travel Offices<br>- Deadline to distribute, reconcile, mark complete, and approve June 2026 procurement card charges<br>- Deadline for processing journal entries that will appear on the period 12 detail report<br>- June accounting period (period 12) is closed for manual journals |
| July 13 | - All Labor Schedule/Distribution changes for FY26 should be completed and approved<br>- Unposted FY25 documents will be withdrawn |
| July 17 | - Deadline for recording PM adjustments |
| July 22 | - Period 12 reports may be printed following announcement of period 12 close<br>- All loan fund activities should be closed |
| July 31 | - Deadline for receiving remaining final unrestricted expense and income journal entries<br>- Deadline for receiving manual journals that affect restricted accounts |
| August 10 | - Final campus fund balance adjustments must be received |
| August 21 | - Final close for FY26 |