

Year Nomenclature in Higher Ed

By Lloyd Rain

This year designation is pretty mundane stuff. We use it every day and give it so little thought that, when asked about it, we usually shrug and mumble something about life having always been this way. Of course, I'm talking about the Higher Ed year as used, in a number of configurations, on course catalog covers, contracts, transcripts, audit reports, and even as the lead digits on purchase order numbers of many institutions.

Somehow, when we turned the corner to FY 00/01, the numbers began to look strange and some, including one of our board members, questioned the meaning of such arcane designations. "Why can't we just use the federal fiscal year and designate everything we do with "FY 01" or FY 02?"

There are some fairly good reasons why we shouldn't, but to understand, we must first understand that we, in Higher Ed, live in a world of several different calendar systems.

Actually, we regularly use four different calendars, depending upon our needs.

- *Gregorian Calendar* -daily affairs
- *Academic Calendar* -scholastic planning
- *Federal Fiscal Year* -almost all grant administration
- ***Institutional Fiscal Year*** -internal financial matters

The Julian calendar

The *Julian calendar* adopted in the year 46 B.C. consisted of a solar year of twelve months — 365 days per year with an extra day every fourth year.

The average length of a year in the Julian calendar is 365.25 days. The "real" length of the solar year that is about 0.0078 days — 11.23 minutes shorter. After about 131 years of accumulated error, the calendar is out of sync with the equinoxes and solstices by one full day. As the centuries passed the Julian calendar became increasingly inaccurate with respect to the seasons. This was especially troubling to the Roman Catholic Church because the increasing discrepancy affected the determination of the date of Easter — which, by the 16th Century, was well on the way toward slipping into summer.

Gregorian Calendar

On February 24, 1582 Pope Gregory XIII issued a papal bull, *Inter Gravissimas*, establishing what is now called the *Gregorian calendar* reform.

- Ten days were omitted from the calendar. The day following Thursday October 4, 1582 became Friday October 15, 1582.

- The rule for leap years was changed
- New rules for the determination of the date of Easter were adopted.
- The position of the extra day in a leap year was moved from the day before February 25th to the day following February 28th.

Gradual Global Recognition

The Gregorian Calendar was adopted immediately in most of Europe. During the next two years Germany, Belgium, Switzerland and the Netherlands came on board. The Netherlands, Denmark, Germany and Switzerland made the change during 1699 to 1701. By the time the Protestant British were ready to go along with the rest of Europe, the old calendar had drifted off by one more day, requiring them to make a correction of eleven days. In Britain and in the British colonies (Wednesday) September 2, 1752, was followed immediately by (Thursday) September 14, 1752, only 24 years before the American colonies declared their independence. I'm not sure when the rest of the world adopted the Gregorian Calendar but more than likely it was tied to colonization by European nations in one way or another.

We use the Gregorian Calendar every day. Every thing from our doctor's appointments to our birthdays, from payroll calculations to finding what's on at the movies, from ascertaining mortgage and rent payments to establishment of Monday-Wednesday-Friday and Tuesday-Thursday classes is based on it. The other three calendars we live by are based upon slicing and dicing the Gregorian.

With the introduction of the Gregorian Calendar, the date New Year's Day was observed became January 1. Previously, in Britain and its colonies, it was common for March 24 of one year to be followed by March 25 of the next year. This explains why the year of George Washington's birth changed from 1731 to 1732. In the Julian Calendar his birth date is February 11, 1731 but in the Gregorian Calendar it is February 22, 1732!

The Academic Calendar

The *Academic Calendar* is based on the need for virtually all the youngsters in the land to work in the fields. Until less than 100 years ago, our society was basically agrarian and the provision of schooling was a secondary consideration — only administered to the young when they were free of farm duties.

As little as 100 years ago, the school year lasted only from roughly November through March or April. Although we no longer have the societal need for agrarian child labor, the tradition is so ingrained that we schedule almost all of our educational activities around a "free summer". This practice is very slowly being supplanted by "year-round-school" and summer terms, which are becoming the close equivalents of other terms or semesters.

The academic year is considered to be from October 1 through September 30 for four-year institutions and from July 1 through June 30 for many two-year institutions, Lane included.

The academic year is primarily used for scheduling terms, semesters, exam periods, holidays and breaks. Conformity with other institutions can be a paramount concern.

An example from our neck of the woods: at Lane Community College, we must maintain basic parity with neighboring University of Oregon since almost half our students transfer there each year, many students take courses at both institutions concurrently, and we are establishing an on line joint enrollment program. Even the difference of one day in our academic calendars can cause disharmonies in everything from transfer courses to accreditation.

What a Difference a Day Makes

Several years ago, both the U of O and LCC planned to initiate the Fall Term on an important Jewish holiday, Yom Kippur. There was considerable Board discussion and lobbying to delay the term by one day so that Jewish students could observe the holiday without affecting their progress and staff could do so without affecting their students. Finally, the board decided that it was just too complicated to delay a term start date, even by one day, because of the extensive gymnastics required of the enrollment and accreditation people to ensure that students didn't lose class days, contact hours and financial aid benefits. In addition, any delay might have affected the timing of students streaming into town for the beginning of the term, their rental payments and even their travel reservations back to their home cities if the term were moved back an entire day. The board declined to change the academic calendar but asked that all possible consideration be given to those who needed to observe the Yom Kippur holiday.

The Federal Fiscal Year

The *Federal Fiscal Year* is the accounting period of the federal government. It begins on October 1 and ends on September 30 of the next calendar year. Each fiscal year is identified by the calendar year in which it ends and commonly is referred to as "FFY." For example, FFY1998 began on October 1, 1997, and ended at midnight on September 30, 1998.

Initially, the federal fiscal year coincided with the calendar year. In 1842, President John Tyler signed legislation changing the fiscal year to July 1 to June 30. The Congressional Budget Act of 1974 changed the fiscal year to its current cycle with the intent of providing Congress more time to process appropriations legislation, and particularly, to avoid continuing resolutions. The law took effect in FFY 1977. Since no amount of legislative lead time appears sufficient to enable congress to do its business in a timely manner, establishing the most appropriate budget cycle continues to be the subject of legislative proposals that would change to a biennial (two-year) period.

Murphy's law, "Work expands to fill the time allotted." will no doubt prevail, and no matter how much lead-time is permitted, congress will wrangle until the last minute and continuing resolutions will proliferate.

The Institutional Fiscal Year

The *Institutional Fiscal Year* of course, is the twelve-month period agencies use for reporting their financial activities. This is the year's worth of financial transactions upon which budgets are based and auditors base their opinions. The period could be any twelve month bracket at the end of which an agency can take a financial snap shot and report in a format which satisfies state accounting requirements (and to a lesser degree, GASB and FASB). Institutions of higher ed invariably chose the July 1 through June 30 period as the most applicable 365 days, and, indeed, the easiest for the institutions to

separate “this year’s stuff” from “last year’s stuff.”

The IRS permits any organization to elect any fiscal year for reporting purposes. However, practically speaking, once elected, that fiscal year must remain with the entity for life as mountains of justifications must be submitted and endless pain must be endured to change the fiscal year.

Fortunately, in Oregon, no city, county, school district, other political subdivision or special district (such as our Community College District) had to make that decision. By mandating a uniform budget year for all state agencies and political subdivisions, Oregon recognized that it would be ludicrous to have thousands of state agencies reporting on the basis of different fiscal years, and set July 1 through June 30 as the fiscal year. For us, that mandate has been highly logical and a boon to all state functions including the legislative branch.

Of our 1,600 public agencies, about 1,400 are covered by this mandate and about 200, which do not depend upon property taxes, are exempt. Typical exempt agencies are hospital districts, highway lighting districts, soil conservation districts, export trading corporations, water control districts and the like.

The Confluence of Years

Each of these year definitions has its own nomenclatures and each, of course, brings with it a plethora rules, regulations, traditions, language, cultures and stigmas, many of which are in conflict with each other.

For example, the federal control of grant funding permits new capital assets to be procured under a grant until September 30 of the federal fiscal year. However, our financial audit based on the institutional fiscal year requires those same assets to be on the premises by June 30 or they are not eligible for accrual into the grant system, even though the asset may have been ordered and paid for in advance of June 30. Obviously, we have to be very clear about which calendar we mean when planning or referring to academic, fiscal, contractual or federal events.

Each of these calendar systems comprises a different segment of the Gregorian calendar and we generally identify each in some form of short hand. For example, FFY 02 would be the next Federal Fiscal Year (which begins on October 1, 2001 and ends on September 30, 2002). At Lane, our next academic and financial year is FY 01/02, July 1, 2001 through June 30, 2002.

In the accounting field the fiscal year designator is ALWAYS the second of any two years bracketed. Thus, accountants and auditors will always understand that at Lane, FY 01 means Fiscal Year 2000/2001. This protocol exists for accountants only and may not be assumed within any other group. Few, if any, common folk, including board members, would be able to identify which calendar period is intended by FY 78, Fiscal 92 or FFY 01.

For over ten years, our purchase order numbers have begun with the **first two digits** of the current bracketed fiscal period (not the last two). Hence, PO # 926788 would have been the 6,788th PO issued in Institutional Fiscal Year 1992/1993, or FY 92/93 for short. PO # 000001 was the first PO of FY 00/01.

In contracting matters (defining awards, contract durations, terminations, etcetera), it's best for us to be precise and to eliminate any possible misinterpretation of a date. Thus, the words, "calendar year" regularly crop up in contracts and we spell out in full any reference a fiscal year, a federal fiscal year or an academic year.

Zero Tolerance

I think that the abundance of "zeros" in the current years seems clumsy when compared to years prior to 2000. Perhaps it would be better to write the years in full, as many agencies are doing now, rather than use 01, 02 etc. The current year, FY 00/01, would become FY 2000/2001. And so on. However, sooner or later we'll get used to all the zeros and move back into our comfort zone with the use of two-digit designators for our fiscal years. So as FY 02/03 and FY 03/04 roll around, we'll be back in the swing of designating our years in what has become the recent traditional fashion and the uneasiness with the "zeros" will be a thing of the past.

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This article was originally published in Higher Markets' Purchasing Pulse newsletter in November, 2000.

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