

FY21 Year-end Accrual Information

Below you will find information about **Accounts Receivables (AR), Deferred Revenues (DR) & Prepaid Expenses (PE)** that may need recorded if they cannot be posted in SAP by June 30th. In order to create these accrual entries, use the template provided (see link below) and send as an attachment with **any supporting documentation (copy of invoice, aged list of AR's, etc)** to your department's business analyst. The pertinent information needed is a **description of the item that needs accrued, the cost center number and G/L the accrual needs to be posted to, the amount, and a brief justification as to the need for the accrual.** **Any AR, DR or PE accrual entry needs to be submitted to your Business Analyst by CLOSE OF BUSINESS JULY 1.**

Revenue Accrual Examples:

- **Accounts Receivables** – used when goods or services are provided before July 1, but for which payment has not been received from the customer by June 30.
 - Ex: Lab testing service provided on June 25, but payment from the customer is not expected until July 15.
 - Accounts receivables should be recorded regardless of amount or fund source.
 - An aging of the accounts receivables should be provided and reviewed to determine if write-offs are necessary
- **Deferred Revenues** – used when revenues are received before July 1, but for which the goods or service will not be provided until after June 30.
 - Ex: Revenue from customer for attendance in a workshop is received on June 25, but the workshop will not be held until July 25.
 - Deferred revenues should be recorded regardless of amount or fund source.

Expense Accrual Examples:

- **Prepaid Expenses** – used when goods or services are purchased and paid for before July 1, but for which the good or service will not be used until after June 30.
 - Ex: Registration for a conference is paid on June 25, but the conference will not be held until August 15.
 - Prepaid expenses should be recorded regardless of fund source but **only** when the amount exceeds \$5,000.

Below you will find information about **Accounts Payables (AP)** that may need accruals if they cannot be posted in SAP by June 30th. In order to create accrual entries, use the template provided and send as an attachment with **any supporting documentation (copy of receipt, PRDs, Procard Vouchers, Disbursement Requests etc)** to your department's business analyst. The pertinent information needed is a **description of the item that needs accrued, the cost center number and G/L the accrual needs to be posted to, the amount, and a brief justification as to the need for the accrual.** **Any AP accrual entry needs to be submitted to your Business Analyst by NOON JULY 29.**

Expense Accrual Examples:

- **Accounts Payables** – used when goods or services are purchased and received before July 1, but for which payment has not been made to the vendor by June 30.
 - Ex: Supplies are purchased by pro-card and received on June 28, but the vendor has not charged the card by June 30.
 - Ex: Disbursement Requests for services rendered prior to June 30, but payment will not post until August 1.
 - Ex: PRD payment processed on June 20, but expense has not posted by July 31.
 - Ex: Goods receipt was processed by July 2, but invoice has not posted by July 31.
 - NOTE: Accruals will be automatically set up based on posting and invoice dates for all transactions received in Accounts Payable by July 30 and on PO's when receiving is done by July 2 (posting date June 30).
 - **SRM:** If no invoice has been received by **July 29**, a payable should be requested.
 - **Pro Card Reports:** If the charge does not show up on OLD YEAR for reporting but for which the goods have been received before July 1, a payable should be requested.
 - **Travel Reports:** If no travel report has been submitted by **July 29**, a payable should be requested.

Template for accruals can be found on the Business Center website ([Fiscal Year-end Accrual Template – FY21](#)). Please distribute this information to anyone in your area that might be affected. If you have any questions about any of the requirements for State Fiscal Year-end, please contact your respective College Business Analyst.