

This QRG provides guidance for handling Prepaid Expenses and Purchases that cross Fiscal Years for **Non-Project-related** expenses. The below does not apply to Project-Related expenses or purchases.


First, determine if it is absolutely necessary to process the request before June 1st. If the purchase can wait, it should. However, there are circumstances that require a purchase to be made before June 1st where the event, or delivery of product, will not take place or be received until after May 31st. *Examples: Conference Registrations, purchases with long lead times, etc.*

Second, determine if the expense is greater than \$250

Expenses & Purchases less than \$250 will be expensed in the default fiscal year.

Expense Reports greater than \$250 PRIOR to June 1st

- Enter an expense item with the normal Expense Template and Type selected.
- Enter all expense item information.
- As a final step, manually update the account in the COA to 15300.
 - Changing the template and type after updating will result in the account defaulting back to the standard mapped account. The account should be checked before saving and submitting.
- **In FY25, Central Finance will recode items out of the clearing account into the actual account based on the Expense Type.**



- **DO NOT USE 15300 after June 1, 2024.**

Expense Reports AFTER June 1st

- Separate expense reports by fiscal year. An expense report containing FY24 items should NOT have any FY25 items.
- The latest expense item date included on the report will determine the fiscal year to which the expense is coded.
 - EX: If a report contains items dated May 25-June 2, all expense items will be coded to FY25.
 - EX: If a report contains items dated May 24-May 30, all expense items will be coded to FY24.

Requisitions greater than \$250 PRIOR to June 1st

- **DO NOT** change budget dates for any requisition related to projects!
- Due to system updates, a flex field identifying the appropriate fiscal year is no longer needed. Instead, fiscal year coding will be determined based on the **Requisition Budget Date** field.
- To assist in accurate coding, be sure to include the fiscal year at the beginning of the requisition item and line descriptions.
 - EX: FY24 Software license
 - EX: FY25 Lab equipment
- Be aware of when your invoices should be received.
 - If a requisition is entered with a June 1, 2024 date, but the invoice is received PRIOR to June 1, 2024, the encumbrance will be released in FY24, and funds will remain encumbered in FY25.
 - This results in the appearance of more funding in FY24, and less funding in FY25 than available.
 - **If this does occur, P2P and Central Finance should be notified for journey entry corrections.**

Refer to the below table and the examples:

Scenarios	Year Goods Received	Year Invoice Received	Requisition Budget Year	Requisition Budget Date
You are ordering goods/services that will be received and invoiced in FY24.	FY24	FY24	FY24	Current
You are ordering goods/services that will be received in FY25 but invoiced for in FY24.	FY25	FY24	FY24	Current
You are ordering goods/services in FY24 that will be received and invoiced in FY25.	FY25	FY25	FY25	June 1, 2024
You are ordering goods/services where a portion will be received and invoiced in <u>FY24</u> and another portion will be received and invoiced in FY25.	FY24/25	FY24/25	FY24/25	FY24 – Current FY25 – June 1, 2024
You are ordering goods/services where a partial deposit is owed in FY24, but the remainder is owed in <u>FY25</u> and the goods/services will be received in FY25.	FY25	FY24/25	FY24/25	FY25 Deposit – Current FY25 – June 1, 2024

EX 1: When the goods/services and the invoice are expected to be received in FY25

- Update the Budget Date on the requisition line to June 1, 2024
- Update the Requested Delivery Date to indicate when the goods/services are expected for delivery

The screenshot shows a requisition form with two fields highlighted in red:

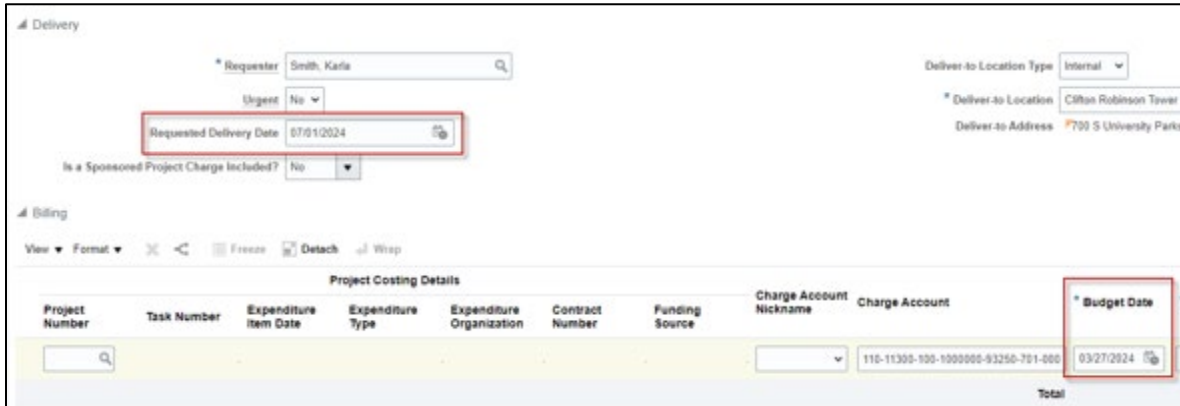
- Requested Delivery Date:** 07/01/2024
- Budget Date:** 06/01/2024

Other visible fields include: Requester (Smith, Karla), Urgent (No), Deliver-to Location Type (Internal), Deliver-to Location (Clifton Robinson Tower), Deliver-to Address (780 S University Park), and Charge Account (110-11380-100-100000-93250-701-000).

April 2, 2024

EX 2: When the goods/services are expected in FY25, but the invoice is completed in FY24.

- Keep the budget date as the current date in FY24.
- When the invoice is received by Payment Services in FY24, they will code the expense to the 15300 clearing account.
- The expense will then be auto-corrected in FY25 to the appropriate expense account.



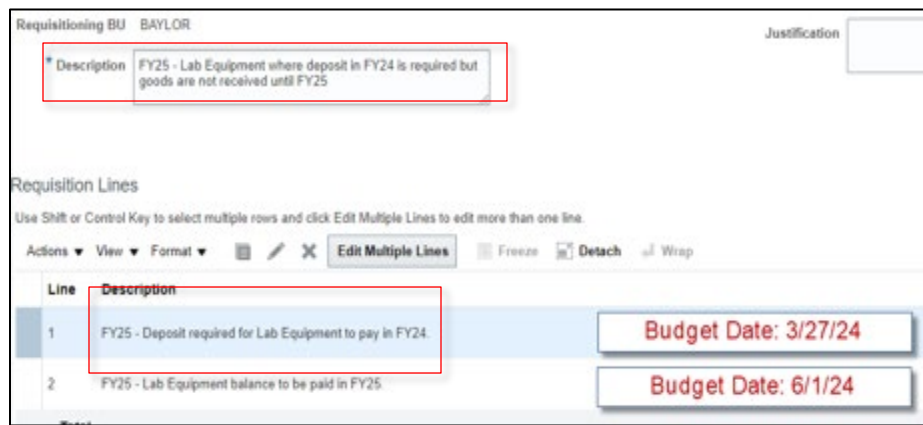
The screenshot shows a requisition form with the following details:

- Requester:** Smith, Karla
- Urgent:** No
- Requested Delivery Date:** 07/01/2024 (highlighted with a red box)
- Is a Sponsored Project Charge Included?:** No
- Deliver-to Location Type:** Internal
- Deliver-to Location:** Cifton Robinson Tower
- Deliver-to Address:** 790 S University Parks
- Project Costing Details Table:**

Project Number	Task Number	Expenditure Item Date	Expenditure Type	Expenditure Organization	Contract Number	Funding Source	Charge Account Nickname	Charge Account	Budget Date
								110-11300-100-1000000-93250-701-000	03/27/2024 (highlighted with a red box)

EX 3: When a deposit is owed in FY24, but goods/services will not be received until FY25, and the final amounts will not be paid until FY25.

- Enter the requisition with 2 lines. Provide a thorough description in the Requisition Description field.
 - Line 1 for the Deposit with the current date in the Budget Date field and “FY25 Deposit” included in the Line Description.
 - Line 2 for the balance with June 1, 2024 in the Budget Date field and “FY25” included in the Line Description.



The screenshot shows a requisition form with the following details:

- Requisitioning BU:** BAYLOR
- Description:** FY25 - Lab Equipment where deposit in FY24 is required but goods are not received until FY25 (highlighted with a red box)
- Requisition Lines:**

Line	Description	Budget Date
1	FY25 - Deposit required for Lab Equipment to pay in FY24	Budget Date: 3/27/24
2	FY25 - Lab Equipment balance to be paid in FY25	Budget Date: 6/1/24

See the next page for Cross-Year Examples and details regarding the Purchase Order carry-forward process.

CROSS-YEAR EXAMPLES

Full service period in FY25

EX: Software with service dates of 7/1/24-6/30/25

- Full purchase will be expensed in **FY25**

Partial service period in FY25

EX 1: Software with service dates of 4/1/23-3/31/24

- Expense in year of majority - **FY25** (10 months in FY25, 2 months in FY24)

EX 2: Software with service dates of 4/1/24-6/30/24

- Expense in year of majority - **FY24** (2 months in FY24, 1 month in FY25)

Deposit on goods or services to be received in FY25

- Full amount, including deposit, should be expensed in **FY25**

PURCHASE ORDER CARRY FORWARD PROCESS

PURCHASE ORDER ROLL:

The PO Carry Forward process rolls open purchase order balances from FY24 to FY25. Open PO lines rolled by this process will be finally closed on 5/31/24 and reopened on 6/1/24.

- Be sure to submit a Finally Close Request on any Open Purchase Orders with a balance that will NOT be invoiced in the future.
- This will prevent the amount from being rolled over, and a future Finally Close Request from being submitted.