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:

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

**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.
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.

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.

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.