Attachment A

Accounting Year-End Transaction

Prepaid Expenses

**Definition**
Prepaid expenses are items **over $100.00** that have been paid before June 30, but the benefit (travel, merchandise, service, etc.) won’t be received or recognized until July 1st or later. **All items or services received or provided after June 30 are considered a prepaid expense.** These expenses must be recognized as an expense in the new fiscal year.

<table>
<thead>
<tr>
<th>Examples of Prepaid Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Airline tickets purchased for trips to be taken on or after July 1.</td>
</tr>
<tr>
<td>• Prepaid registration fees/hotel accommodations for conferences occurring on or after July 1.</td>
</tr>
<tr>
<td>• Subscriptions or membership fees for the new fiscal year.</td>
</tr>
<tr>
<td>• Prepaid maintenance fees (maintenance contracts) or software licenses for the new fiscal year.</td>
</tr>
</tbody>
</table>

If you have an item (invoice or P-card transaction), please follow the procedures outlined below

**If your item is an invoice**

If you have an invoice that is for an item that has not been received (as in the above examples) please indicate on the invoice or requisition that this is for the new fiscal year. Accounts Payable will then do the necessary accounting to ensure it is charged to the correct fiscal year.

If this is an item that has already been paid, then simply submit a copy of the paid invoice, or proof of the paid expense (copy of e-print statement, Banner document number, etc) along with your completed Prepayment Form to Accounts Payable. Accounts Payable will charge it to the correct fiscal year.

**If your item is a P-Card Transaction**

Departments can send the completed Prepayment Form along with a copy of the statement for any P-Card expense that appears on your statement for any charges that meet the above criteria.

This form must be submitted along with supporting documentation to Accounts Payable **or before noon on July 10**. Documentation must include:

- Copy of invoice that shows that the expense belongs in the new fiscal year
- Copy of P-card statement

**Liability**

Items Received on or before June 30 but have not been paid for. **(Liability)**
**Definition**
A Liability describes an obligation. It refers to money owed to complete a transaction, debt that has yet to be paid, or products or services that have been received but have not been paid for.

**Procedure**
If you have received any goods or services from a vendor for which you have not been invoiced (paid for) please notify Accounts Payable and forward proof of receipt of goods (Shipping invoice, packing slip, etc.) to Accounts Payable 112 Hover.

If you have any questions on any of the above procedures please contact Accounts Payable at 7-0022 or General Accounting at 7-2056