

Accounting Year-End Transaction

Prepaid Expenses

Definition

Prepaid expenses are items **over \$100.00** that have been paid before June 30, 2009, but the benefit (travel, merchandise, service, etc.) won't be received or recognized until July 1st, 2009 or after. All items or services received or provided after June 30, 2009 are considered a prepaid expense. These expenses must be recognized as an expense in the next fiscal year (2010).

Examples of Prepaid Expenses

- Airline tickets purchased for trips to be taken on or after July 1, 2009.
- Prepaid registration fees/hotel accommodations for conferences occurring on or after July 1st, 2009.
- Subscriptions or membership fees for next fiscal year.
- Prepaid maintenance fees (maintenance contracts) or software licenses for next fiscal year.

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 next fiscal year by marking it 2010. 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 on **or before noon Friday July 10, 2009**. 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, 2009 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