Accrual Accounting

and

Year-End Reminders

Presented by BFS - Campus Services

Colorado State University

Housekeeping Items for Teams Meetings

➢ This session is being recorded - the link will be posted for later viewing

➢ Please mute your microphones unless speaking

➢ Attendees - Please turn off your cameras

➢ Online Questions - Please use the Chat feature in MS Teams to ask questions - Campus Services reps will be monitoring Chat

Agenda

- Accounting Standards & Generally Accepted Accounting Principles (GAAP)

- What is Accrual Accounting?

- Accounting Methods – Cash vs. Accrual

- Kuali Accrual Vouchers and Adjustment Vouchers

- Accruals Impact the Balance Sheet (Assets OC1xxx & Liabilities OC2xxx)

- Accrual and Adjustment Voucher Examples

- Multi-year Prepaid Accrual (prepaids that go beyond the next FY)

- Year-End Reminders

Accounting Standards

CSU has to follow governmental accounting principles and standards:

➤ Governmental Accounting Standards Board (GASB)

➤ Generally Accepted Accounting Principles (GAAP)

CSU Financial Statement Footnote:

As a special-purpose government engaged primarily in business-type activities, the basic financial statements of the System have been presented using the economic resources measurement focus and the **accrual basis of accounting**. Presentation is also in accordance with the State of Colorado Higher Education Accounting Standard No. 17. Under the accrual basis of accounting, **revenues are recognized when earned, and expenses are recorded when incurred**.

What is Accrual Accounting?

➢ Accounting method to <u>record REVENUE when EARNED</u>, not when money is received

▪ EARNED => Goods have been provided to external customer or services provided by CSU for external customers are complete

➢ Accounting method to <u>record EXPENSE when INCURRED</u>, not when the expense is paid

▪ INCURRED => Goods received by CSU or services provided to CSU are complete

Two Accounting Methods for Recognizing Revenue and Expense

Cash Method (Individuals)

Record income when cash, check or card settlement is **RECEIVED**

($$ IN)

Record expenses when **PAID**
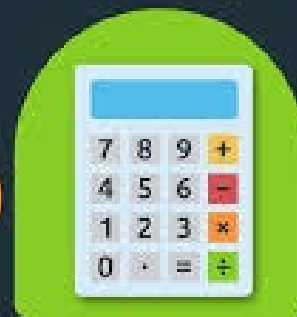
($$ OUT)

Accrual Method

Record revenue when **EARNED** (service complete or goods provided to external customer)

(Timing of $$ IN doesn't matter)

Record expense when **INCURRED** (goods or services received by CSU)

(Timing of $$ OUT doesn't matter)

Cash Accounting VS Accrual Accounting

Kuali Adjustment / Accrual Vouchers

➢ **Adjustment Voucher -** Used to recognize Revenue when EARNED and Expenses when INCURRED. No auto-reversal.

  • Great for entering revenue and receivables or when clearing a Prepaid Expense (Asset) that was initially recorded on a DV, PREQ or PCDO document.

➢ **Accrual Voucher -** Used to post an accrual entry that will automatically reverse in a designated future month (usually the next FY).

  • Great to record Prepaid Expenses, Year End Payables for Expenses, and Unearned Revenue in the current FY to set up the Asset or Liability and have it automatically reverse in the next FY to recognize the Expense or Revenue and clear the Asset or Liability.

Kuali Accrual Voucher for Prepaids - Required Information in Notes or Attachments

➢ **Accrual or Adjustment Voucher –** When recording a Prepaid Expense, you must include the following information in the Notes on the AV document:

- ▪ **Prepaid term** (beginning & ending Date)

- ▪ **Calculation of the Prepaid Expense** – Show the calculation of the prepaid expense to split it between the FYs. Some use an Excel sheet to calculate the Prepaid Expense and they attach it as a pdf to the AV doc.

- ▪ **Kuali Doc # where the expense originated** – Include the PREQ, DV, or PCDO doc # where the expense was originally recorded. Note that if a GLT has been done on the originating PREQ, DV or PCDO, then include the GLT doc # in the Notes. Do not give us the REQ or PO #.

- ▪ **The doc with the originating expense <u>must</u> be in a FINAL status -** If it is not FINAL, the expense hasn't posted to Kuali and there is no expense to move.

Accruals Impact the Balance Sheet
(Assets OC 1xxx & Liabilities OC 2xxx)

Asset Accruals -

Prepaid Expenses & Receivables

Prepaid Expenses (OC1740 Current) or (OC1790 Noncurrent)
- *Amounts paid this FY but not **incurred** until the next FY (OC1740 Current Prepaid) or beyond the next FY (OC1790 Noncurrent Prepaid)*
  - Multi year service contracts, software subscriptions, registration expenses (conf in next FY); airline tickets for travel in next FY, etc.

Receivables from external customers (OC14XX)
- *Revenue **earned** in this FY, but $$ not received yet*
  - Work done by CSU this FY for an <u>external</u> client that hasn't paid yet

Liability Accruals -

Unearned Revenue & Year End Payables

Unearned Revenue (OC25xx) -
- *Monies received this FY, but revenue not **earned** until next FY*
  - Ex – Football tickets sold & $$ received in spring for a game next fall (next FY)

Year End Payable (OC2103) –
- *Amounts owed for goods received by or services provided to CSU this FY (**expense incurred**), but not paid until next FY*
  - Goods/services CSU received on or before 6/30/xx (no invoice until next FY

Accruing Receivables (Asset) & Revenue

Accrued Receivables - Revenue **earned** by providing <u>external</u> customers with goods or services on or before Fiscal Year End (FYE) 6/30/xx w/o receiving payment yet. Record on an **Adjustment Voucher** (no auto-reversal).

DEBIT OC14xx – Receivables

CREDIT OC4xxx – Revenue

When payment is received:

CREDIT OC14xx to clear the receivable

Accrual Accounting – We must record a Receivable OC14XX and Revenue OC4xxx when work for an <u>external</u> client is completed or goods have been delivered (**earned**) regardless of when money is exchanged.

Revenue is recorded when earned!

Note: <u>Do</u> <u>not</u> book receivables/payables on internal customers (within CSU)

Accruing Prepaid Expenses (Asset)

Prepaid Expenses – Expense **paid in advance** of when it will be incurred. Includes multi year maintenance contracts, subscriptions crossing FYs, travel for next FY, conference registration for next FY, etc.

DEBIT OC1740 – Prepaid Expense Current

CREDIT OC6xxx – Expense

Accrual Accounting - Expenses must be recognized when **INCURRED**, not when paid.

The accrual records the Prepaid Expense (Asset) and reduces the total Expense in this FY. When it reverses in the next FY, it clears OC1740 Prepaid Expense Current and records the Expense OC6xxx.

Clearing Prepaid Expenses Created on Docs that Don't Auto-reverse

If a DV, PREQ or PCDO records a Prepaid Expense OC1740 in the current FY, it has to be cleared in the next FY on an **Adjustment Voucher** (with no auto-reversal) because the DV, PREQ and PCDO docs don't have the auto-reversal feature.

EX: On 5/1/25 a PREQ pays for a $24,000 maintenance agreement covering the term 7/1/25 – 6/30/26. The PREQ DEBITS OC1740 Prepaid Current for the full $24,000.

Action Needed in FY26: Create an Adjustment Voucher to clear the OC1740 Prepaid Current and to record the Expense OC66xx for the full $24,000. No reversal is needed because we need the expense to be recorded in FY26.

DEBIT OC66xx – Service Expense $24,000

CREDIT OC1740 – Prepaid Current $24,000

Review OC1740 periodically for entries that need to be cleared from previous years!

Accruing Unearned Revenue (Liability)

Accrued Liabilities – External Revenue **not yet earned** but payment has been received. This means CSU is obligated to provide goods or services. The revenue is **UNEARNED (a liability) in current FY** and will be **EARNED in the next FY** after we've provided the goods or services.
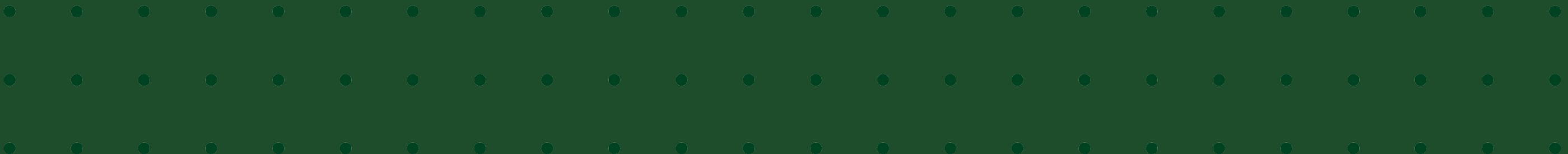
Accrual Voucher:

DEBIT OC4xxx – Earned Revenue

CREDIT OC25xx – Unearned Revenue

Auto-reversal in the next FY clears the UNEARNED revenue liability and records the revenue as EARNED.

Check your OC25xx balances monthly and clear old unearned revenue recorded in previous FYs!

Accruing Expenses Incurred but not yet Paid (Liability)

Accrued Liabilities - Expenses that are INCURRED but have not yet been paid. CSU is obligated to pay for goods and services that have been **PROVIDED** but the invoice will not be paid in this FY; therefore, we record a Liability.

Accrual Voucher:

DEBIT OC6xxx – Expense

CREDIT OC2103 – Year End Payable

Auto-reversal in new FY clears the Year End Payable and washes the expense in the next FY because the DV or PREQ processed in the new year will DEBIT expense. The expense is recorded in the year incurred.

Check your OC2103 YE Payable balance monthly and clear old payables from the previous FY!

Importance of Reviewing Balance Sheet OCs

➢ At Fiscal Year End (FYE) balances in the Balance Sheet Object Codes (OCs) like 1XXX & 2XXX, will roll forward to the next Fiscal Year (FY).

➢ Review these OCs when reconciling your accounts and clear Receivables, Prepaids, Unearned Revenue, and Year End Payables that were from the previous FY.
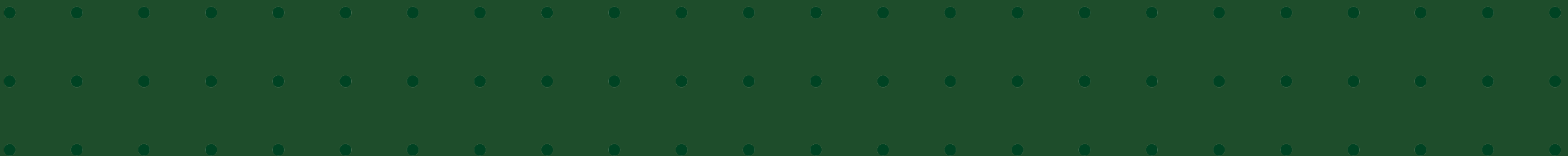
Examples of Accruals
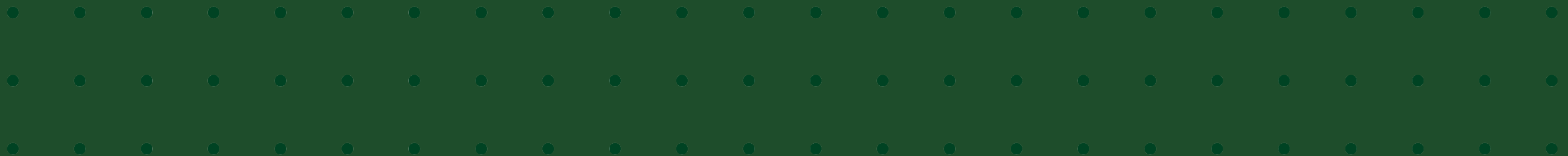
Service Revenue Accrual - EX #1

Account 2205000 receives an order to test a soil sample on April 1st. The test results were completed on 4/20/25, and the customer is invoiced on April 25th for $200.00. The customer pays on July 5th.

➢ What FP and FY do we recognize the revenue in?

➢ What document would be used to record the receivable and revenue?

➢ How would you record the receipt of $200 from the customer on July 5th?

Service Revenue Accrual - EX #1 - Answers

➢ Revenue is booked when EARNED (i.e. when the work is complete) - FY25

➢ Since the work is complete on 4/20/25, an **Adjustment Voucher** is used to record:

  DEBIT OC14xx – Receivables $200.00

   CREDIT OC4380 – Other Sales/Svcs Aux/Self-Funded Revenue $200.00

➢ Check or cash received July 5th (FY26) - Complete a Cash Receipt to post the payment as a CREDIT to OC1437 to clear the Receivable.

  ▪ *Note: If the Cash Receipt or Credit Card Clearing document posts the payment to OC 4xxx Revenue instead of OC14xx, complete a GLT to DR OC4xxx Revenue and CR OC14xx Receivable, to remove the double-booked Revenue and reduce the Receivable.*

Service Revenue Accrual – EX #1 created in Kuali by Hayley
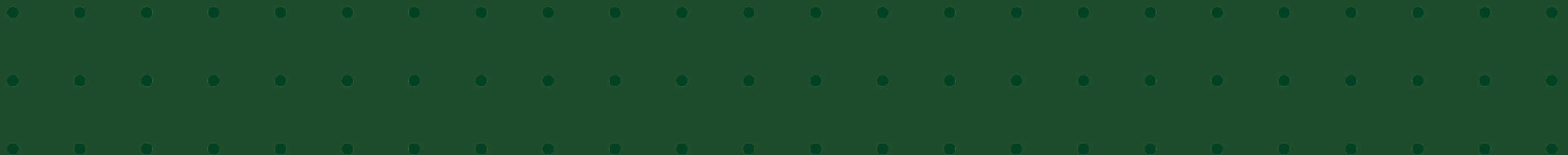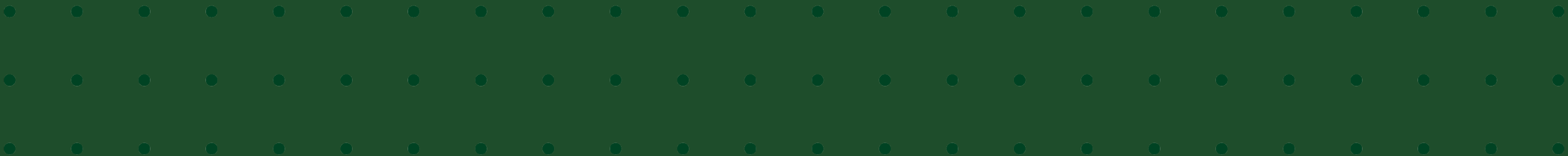
Conference Revenue Accrual w/ Reversal - EX #2

Account 2677800 received and booked a $500 conference deposit to OC4380 (external revenue) on 5/31/25 for an AIAA Technical Symposium to be held 9/15/25 (FY26) and hosted by CSU.

➢ What fiscal year does the external revenue belong in?

➢ What document should be used to book the accrual and what Object Codes would you use?

➢ Is the deposit a Liability or an Asset after we book the accrual?

Conference Revenue Accrual w/ Reversal - EX #2 - Answers

➢ Revenue belongs in FY26 when the conference will be held (when the revenue becomes EARNED)

➢ ACCRUAL VOUCHER – To move the $500 out of OC4380 <u>external</u> revenue and to record OC2590 Unearned Revenue. (Auto-reversal date of 9/15/25)

  ▪ DEBIT OC4380 – Other Sales/Svcs Aux/Self-Funded Revenue $500.00
    CREDIT OC2590 - Unearned Revenue $500.00

  ▪ Auto-reversal on 9/15/25 records revenue in FY26 when it is EARNED and clears the OC2590 Liability

➢ The deposit is Unearned Revenue and is a Liability until CSU has held the conference (CSU is obligated to have the conference).

Conference Revenue Accrual – EX #2 created in Kuali by Hayley
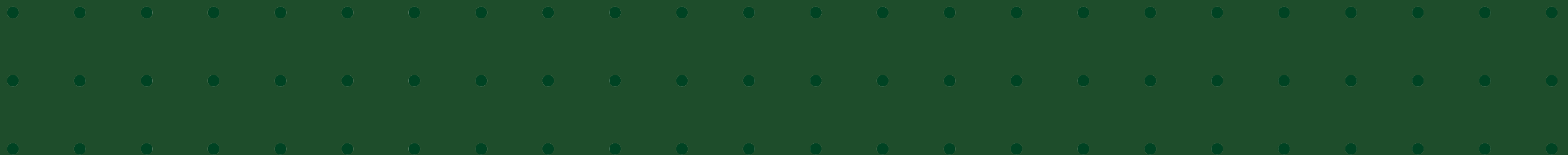
Expense / Payable Accrual - EX #3

Account 1262000 ordered office supplies on June 20th in the amount of $500 and the supplies were received 6/30/25. The vendor was paid on 7/15/25 (after Fiscal Year End).

➢ What fiscal year should the expense be recorded in and why?

➢ What document should be used to book this expense and what will you DEBIT and CREDIT?

Expense / Payable Accrual - EX #3 - Answers

➢ Expense is recognized in FY25 when the supplies are received. We record the expense when it is INCURRED (goods or services are received).

➢ **Accrual Voucher** with auto-reversal should be used to record the Expense to OC6201 and record a Liability to OC2103 - Year-End Payable. The auto-reversal date should be in FY26 such as 7/15/25.

    DEBIT OC6201 – Supplies Expense
            CREDIT OC2103 – Year-End Payables

▪ When the invoice is paid in FY26 and the expense is recorded, it will offset the automatic-reversal entry that credited expense on 7/15/25 (FY26).
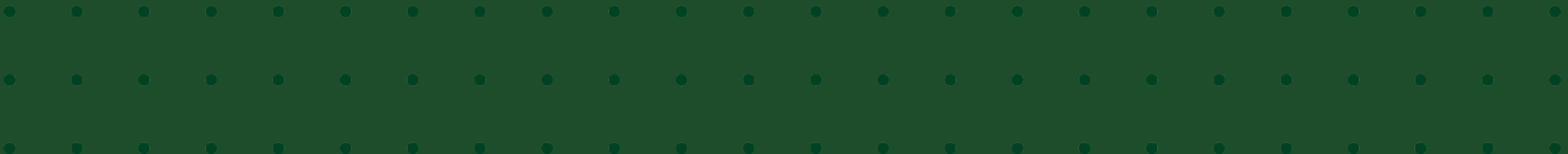
Expense / Payable Accrual – EX #3
Created in Kuali by Hayley

Expense / Payable Travel Accrual - EX #4

Travel for an FY25 conference where travel begins 6/24/25 and ends on 6/30/25. Since the traveler returns on 6/30/25, the TR won't be submitted by the 6/30/25 NOON deadline (for BFS Travel to accrue centrally).

➢ What fiscal year should the expense be recorded in?

➢ What document should be used to book this expense and what will you DEBIT and CREDIT?

➢ What is needed in the Notes of the related TR?

Expense / Payable Travel Accrual - EX #4 - Answers

➢ Expense is recognized in FY25 when the travel occurred. We record the expense when it is INCURRED.

➢ **Accrual Voucher** with auto-reversal - To record the Expense to OC6xxx and record a Liability to OC2103 - Year-End Payable. The auto reversal date should be in FY26 such as 7/15/25.
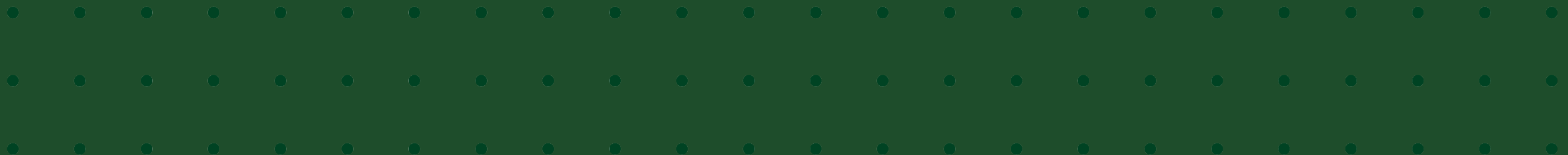
> DEBIT OC6xxx – Travel Expense
>
> > CREDIT OC2103 – Year-End Payables

➢ When the TR is processed in FY26 to reimburse the traveler, it will offset the auto-reversal that credited expense on 7/15/25.

➢ Please include the AV doc # in the notes on the TR to show that you have accrued this travel expense back to FY25.
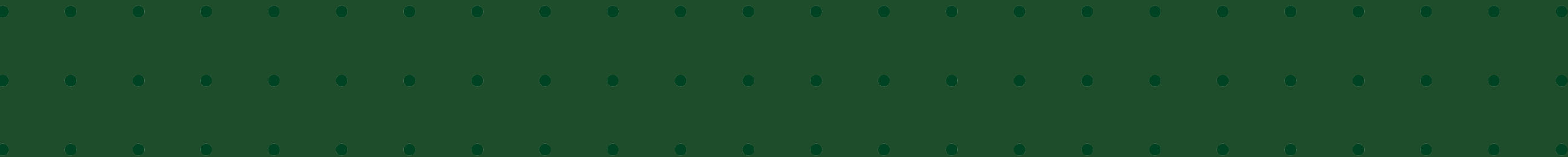
Expense / Payable Travel Accrual – EX #4
Created in Kuali by Hayley

Prepaid Expense Accrual Crossing FYs - EX #5

Account 1356570 entered into a 12-month service agreement in the amount of $12,000 that runs 4/1/25 – 3/31/26. The expense was was booked in full to OC6601 when the invoice was paid in FY25.

➢ What FY(s) should the Expense be recognized in?

➢ What document would you use to accrue this Expense and what is the DEBIT and CREDIT?

➢ What notes/information is required on the AV document?

➢ What document must be in a FINAL status before the accrual is submitted?

Prepaid Exp Accrual Crossing FYs - EX #5 - Answer

➢ $3,000 will be recognized in FY25 and $9,000 will be recognized in FY26

➢ Since the full amount was booked to OC6601 originally, we need to key an ACCRUAL VOUCHER to move the FY26 portion of the expense of $9,000 out of FY25 and TO FY26. The reversal date can be anytime after about mid-July 2025 (FY26) and can go out as far as 3/31/26 when the service agreement ends.
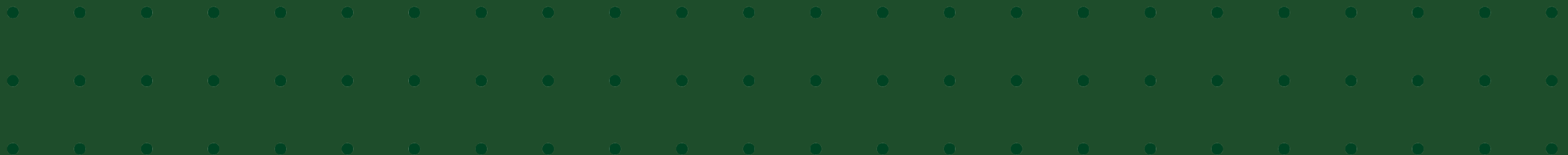
DEBIT OC1740 - Prepaid Expense $9,000
CREDIT OC6601 – General Services Expense $9,000

- Always include the following as Notes or attachments:

  • Term of the Prepaid (Beginning & Ending dates)

  • Calculation of the Prepaid in the Notes ($12,000/12 mo. = $1,000/mo. x 9 mo. = $9,000 to FY26)

  • KFS Doc # where the expense originated (PREQ, DV, TR or PCDO)

- The Doc with the originating expense must be FINAL before the accrual is submitted.

Prepaid Exp Accrual w/ Reversal – EX #5
Created in Kuali by Hayley

Multi-year (>2 FYs) Prepaid Expense Accruals
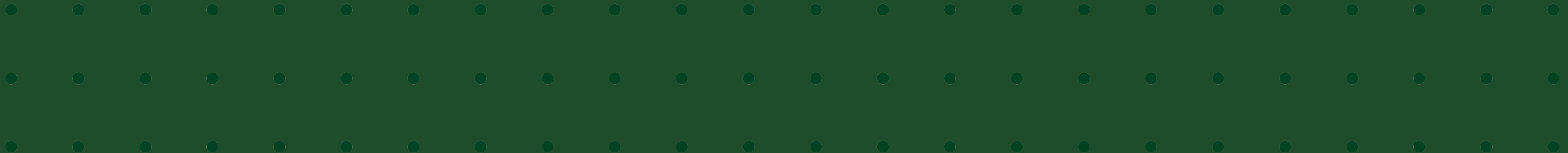
Multi-year (>2 FYs) Prepaid Expense Accrual – New Procedure as of 2/25/25

➤ Setting up the PPD expense for terms >2 FYs on an Adjustment Voucher:

    Debit OC1740 Other Prepaids-Current (Prepaid amount for the next FY)
    Debit OC1790 Other Prepaids-Noncurrent (Prepaid amount for FYs beyond the next FY)
    Credit OCxxxx (using the appropriate Expense OC)

➤ Each FY an Adjustment Voucher is keyed to:

    Credit OC1740 (for the amount needing to be expensed)
    Debit OCxxxx (using the appropriate Expense OC)
    Credit OC1790 (to move the next FY of Prepaid to current)
    Debit OC1740 (the amount of the next FY Prepaid)

➤ This cycle of moving OC1740 to expense <u>and</u> moving the next FY of Prepaid from OC1790 to OC1740 continues until the last FY of the prepaid when an Adjustment Voucher is created to move the final amount out of OC1740 to the appropriate expense OC.

NOTE: OC1710 is for Prepaid Insurance and OC1720 is for Prepaid Postage. Both of these Object Codes are for current Prepaids and would be substituted for OC1740 in the multi-year Adjustment Voucher entries if the Prepaid expense was for Insurance or Postage. If there are <u>Noncurrent</u> Prepaids for Insurance or Postage, those amounts would be moved to OC1790.

Multi-year (>2 FYs) Prepaid (PPD) Expense Accrual - Ex

A Service Agreement of $6,000 was purchased on 10/1/24 to cover the period from 10/1/24 – 9/30/27 (FY25, FY26, FY27 and FY28). A PREQ was created to pay the full $6,000 on 10/1/24 which charged OC6601.

$6000 / 3 yr = $2,000/yr / 365 days $5.4795/day

- *FY25 exp is for 273 days (10/1/24-6/30/25) or $1495.90*

- FY26 PPD is for 365 days (7/1/25-6/30/26) $2,000.00 ➔ Move to OC1740 Other Prepaids-Current in FY25

- FY27 PPD is for 365 days (7/1/26-6/30/27) $2,000.00 ➔ Move to OC1790 Other Prepaids-Noncurrent in FY25

- FY28 PPD is for 92 days (7/1/27-9/30/27) or $504.10 ➔ Move to OC1790 Other Prepaids-Noncurrent in FY25

$4,504.10 is the initial total amount prepaid

The entries for FY25, FY26, FY27 & FY28 would look like……..
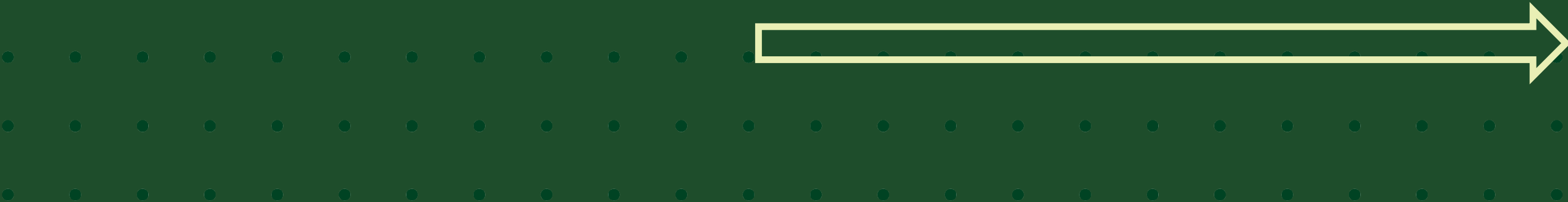
FY25 Entry

Create an Adjustment Voucher to credit OC6601 $4,504.10, debit OC1740 Other Prepaids-Current (for FY26 PPD $2,000), debit OC1790 Other Prepaids-Noncurrent (for FY27 PPD $2,000), and debit OC1790 Other Prepaids-Noncurrent (for FY28 PPD $504.10). This sets up the current and noncurrent prepaids and removes the total of the prepaid expense out of FY25.

(NOTE: The example below shows separate lines for the FY27 & FY28 OC1790 Other Prepaids-Noncurrent; however, you can put the FY27 & FY28 amounts for OC1790 on one line if you attach a schedule to the AV document showing the amount for each year.)

* Description : Multi-year service agreement

Organization Document Number :

Explanation : covering 10/1/24-9/30/27 (FY25, FY26, FY27 and FY28). $6,000 / 3 yr = $2,000/yr or $5.4795/day.

FINANCIAL DOCUMENT DETAIL

Total Amount : 4,504.10

In the Notes section, you please provide the PREQ#, DV# or PCDO# along with the calculation of the FY25 exp (273 days), FY26 exp (365 days), FY27 exp (365 days) and FY28 exp (92 days) based on the contract term of 10/1/24 – 9/30/27. $6,000/3yr = $2,000/yr / 365 days = $5.4795/day

ADJUSTMENT ACCRUAL VOUCHER DETAILS

* Accounting Period : OCT 2024

* Adjustment/Accrual Voucher Type : ● Adjustment ○ Accrual

ACCOUNTING LINES Import Templates

HIDE DETAILS IMP

	* CHART	* ACCOUNT	SUB-ACCOUNT	* OBJECT	SUB-OBJECT	PROJECT	ORG REF ID	DEBIT	CREDIT	LINE DESCRIPTION	ACTIONS
	CO							0.00	0.00		+
1	CO / Colorado State University	2600000 / Athletics Administrative Account		1740				2,000.00	0.00	FY26 Current prepaid	
2	CO / Colorado State University	2600000 / Athletics Administrative Account		1790				2,000.00	0.00	FY27 Non-current prepa	
3	CO / Colorado State University	2600000 / Athletics Administrative Account		1790				504.10		FY28 Non-current prepa	
4	CO / Colorado State University	2600000 / Athletics Administrative Account		6601 / General Services					4,504.10	Total Prepaid	

Debit OC1740 for FY26 Current PPD $2,000

Debit OC1790 for FY27 Noncurrent PPD $2,000

Debit OC1790 for FY28 Noncurrent PPD $504.10

Credit OC6601 $4,504.10 for the FY26, FY27 and FY28 PPD exp

TOTALS 4,504.10 4,504.10

FY26 Entry

Create an Adjustment Voucher to credit OC1740 $2,000 (the FY26 amt to be expensed) and debit OC6601 $2,000 to record the FY26 incurred expense. In the same AV credit OC1790 $2,000 and debit OC1740 $2,000 to move the FY27 PPD to current. This will leave the FY28 PPD of $504.10 in OC1790.

* Description : FY26 AV Multi-year service example

Organization Document Number :

Explanation : from OC1790 Non-current Prepaid to OC1740 Current Prepaid. See AV xxxxxxxx for original accrual.

FINANCIAL DOCUMENT DETAIL

Total Amount : 4,504.10

In the Notes section, you please provide the PREQ#, DV# or PCDO# and the original FY25 AV# along with the calculation of the FY25 exp (273 days), FY26 exp (365 days), FY27 exp (365 days) and FY28 exp (92 days) based on the contract term of 10/1/24 – 9/30/27. $6,000/3yr = $2,000/yr / 365 days = $5.4795/day

ADJUSTMENT ACCRUAL VOUCHER DETAILS

* Accounting Period : JUL 2025

* Adjustment/Accrual Voucher Type : ● Adjustment ○ Accrual

ACCOUNTING LINES ❓ Import Templates

HIDE DETAILS   IMP

	* CHART	* ACCOUNT	SUB-ACCOUNT	* OBJECT	SUB-OBJECT	PROJECT	ORG REF ID	DEBIT	CREDIT	LINE DESCRIPTION	ACTIONS
	CO							0.00	0.00		+
1	CO Colorado State University	2600000 Athletics Administrative Account		1740					2000.00	FY26 Prepd to Exp	⚖ 🗑
2	CO Colorado State University	2600000 Athletics Administrative Account		6601 General Services				2,000.00	0.00	FY26 Prepd to Exp	⚖ 🗑
3	CO Colorado State University	2600000 Athletics Administrative Account		1790					2000.00	FY27 Non-curr to Curre	⚖ 🗑
4	CO Colorado State University	2600000 Athletics Administrative Account		1740				2000.00		FY27 Non-curr to Curre	⚖ 🗑

Moving FY26 OC1740 Current PPD to OC6601 Expense

Moving FY27 OC1790 Noncurrent PPD to OC1740 Current PPD

TOTALS   4,504.10   4,504.10

FY27 Entry

Create an Adjustment Voucher to credit OC1740 $2,000 and debit OC6601 $2,000 to record the FY27 incurred expense. In the same AV credit OC1790 $504.10 and debit OC1740 $504.10 to move the FY28 PPD to current. This is the last of the non-current PPD for this service agreement.

* Description : FY27 AV Multi-year service example

Organization Document Number :

Explanation : Moving FY27 Prepaid OC1740 of $2,000 to OC6601 Expense. Also moving FY28 Non-current Prepaid OC1790 of $504.10 to

FINANCIAL DOCUMENT DETAIL

Total Amount : 2,504.10

In the Notes section, you please provide the PREQ#, DV# or PCDO# and the original FY25 AV# and FY26 AV# along with the calculation of the FY25 exp (273 days), FY26 exp (365 days), FY27 exp (365 days) and FY28 exp (92 days) based on the contract term of 10/1/24 – 9/30/27. $6,000/3yr = $2,000/yr / 365 days = $5.4795/day

ADJUSTMENT ACCRUAL VOUCHER DETAILS

* Accounting Period : JUL 2026

* Adjustment/Accrual Voucher Type : ● Adjustment ○ Accrual

ACCOUNTING LINES ❓ Import Templates

HIDE DETAILS | IMP

	* CHART	* ACCOUNT	SUB-ACCOUNT	* OBJECT	SUB-OBJECT	PROJECT	ORG REF ID	DEBIT	CREDIT	LINE DESCRIPTION	ACTIONS
	CO ⌄							0.00	0.00		➕
1	CO ⌄ Colorado State University	2600000 Athletics Administrative Account		1740					2,000.00	FY27 Prepd to Exp	⚖ 🗑
2	CO ⌄ Colorado State University	2600000 Athletics Administrative Account		6601 General Services				2,000.00	0.00	FY27 Prepd to Exp	⚖ 🗑
3	CO ⌄ Colorado State University	2600000 Athletics Administrative Account		1790					504.10	FY28 Non-curr to Curre	⚖ 🗑
4	CO ⌄ Colorado State University	2600000 Athletics Administrative Account		1740				504.10	0.00	FY28 Non-curr to Curre	⚖ 🗑

Moving FY27 OC1740 Current PPD to OC6601 Expense

Moving FY28 OC1790 Noncurrent PPD to OC1740Current PPD

TOTALS 2,504.10 2,504.10

FY28 Entry

Create an Adjustment Voucher to credit OC1740 $504.10 and debit OC6601 $504.10 to record the FY28 incurred expense. This is the last of the PPD expense for this service agreement and it will be fully expensed across FY25, FY26, FY27 and FY28 after this entry is final.

* Description : FY28 AV Multi-year service example

Organization Document Number :

Explanation : Moving FY28 Prepaid OC1740 of $504.10 to OC6601 Expense. See AV# xxxxxxxx for FY25 accrual, AV# xxxxxxxx for FY26

FINANCIAL DOCUMENT DETAIL

Total Amount : 504.10

In the Notes section, you please provide the PREQ#, DV# or PCDO#, the original FY25 AV#, the FY26 AV#, and the FY27 AV# along with the calculation of the FY25 exp (273 days), FY26 exp (365 days), FY27 exp (365 days) and FY28 exp (92 days) based on the contract term of 10/1/24 – 9/30/27. $6,000/3yr = $2,000/yr / 365 days = $5.4795/day

ADJUSTMENT ACCRUAL VOUCHER DETAILS

* Accounting Period : JUL 2027

* Adjustment/Accrual Voucher Type : ● Adjustment   ○ Accrual

ACCOUNTING LINES Import Templates

HIDE DETAILS   IMP

	* CHART	* ACCOUNT	SUB-ACCOUNT	* OBJECT	SUB-OBJECT	PROJECT	ORG REF ID	DEBIT	CREDIT	LINE DESCRIPTION	ACTIONS
	CO Colorado State University							0.00	0.00		+
1	CO Colorado State University	2600000 Athletics Administrative Account		1740					504.10	FY28 Prepd to Exp	
2	CO Colorado State University	2600000 Athletics Administrative Account		6601 General Services				504.10	0.00	FY28 Prepd to Exp	

Moving FY28 OC1740 Current PPD to OC6601 Expense

TOTALS 504.10   504.10

# T-Accounts for Multi-year (>2 FYs) Prepaid Expense Accrual Example

EX: A Service Agreement of $6,000 was purchased on 10/1/24 to cover the period from 10/1/24 – 9/30/27 (FY25, FY26, FY27 and FY28). A PREQ was created to pay the full $6,000 on 10/1/24 which charged OC6601.

$6000 / 3 yr = $2,000/yr / 365 days $5.4795/day

These T-Accts show the movement from expense to OC1740 Prepaids-Current, and OC1790 Prepaids-Noncurrent in FY25. Then each FY it shows the effect of the AVAD moving OC1740 to OC6601 for that FY's incurred expense as well as moving the next FY PPD from OC1790 to OC1740.

Fiscal Year	Entry Description	OC6601 DR	OC6601 CR	OC1740 DR	OC1740 CR	OC1790 DR	OC1790 CR
FY 2025	PREQ to purchase the multi-yr agreement	6,000.00					
	AVAD to move FY26 prepaid to OC1740 and FY27 and FY28						
FY25 FP04	prepaids to OC1790 and to credit expense		4,504.10	2,000.00		2,504.10	
FYE 2025		1,495.90		2,000.00		2,504.10	
FY 2026	Beginning Balances brought forward			2,000.00		2,504.10	
	AVAD to move FY26 ppd in OC1740 to expense and next FY						
FY26 FP01	(FY27) prepaid from OC1790 to OC1740	2,000.00		2,000.00	2,000.00		2,000.00
FYE 2026	FY26 Year End Balances	2,000.00		2,000.00		504.10	
FY 2027	Beginning Balances brought forward			2,000.00		504.10	
	AVAD to move FY27 ppd in OC1740 to expense and next FY						
FY27 FP01	(FY28) prepaid from OC1790 to OC1740	2,000.00		504.10	2,000.00		504.10
FYE 2027	FY27 Year End Balances	2,000.00		504.10		0.00	
FY 2028	Beginning Balances brought forward			504.10		0.00	
	AVAD to move FY28 ppd in OC1740 to expense. This completes						
FY28 FP01	the entries for this multi-year prepaid.	504.10			504.10		
FYE 2028	FY28 Year End Balances	504.10		0.00			
	Total amount expensed from FY25-FY28 as it was incurred	6,000.00					

Year-End Reminders
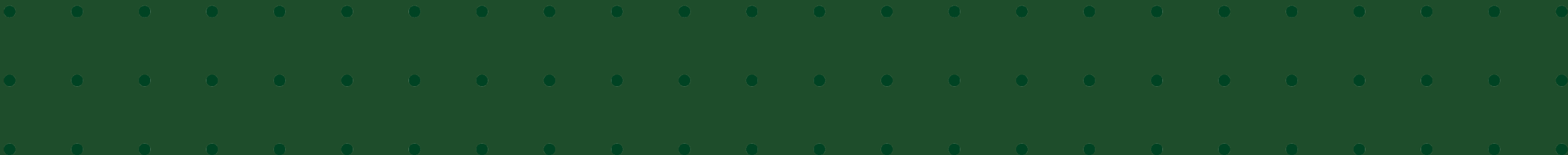
Year-End Cutoff Changes Sent to CAAG & CAPAC

➢ BFS is focusing on materiality and prioritization of entries that significantly impact the financial statements. After campus cutoff for FY25 on 7/8/25 at 4:00 PM, we will no longer process entries that:

   ▪ Are not material to the University's financial statements

   ▪ Do not impact financial reporting

   ▪ Do not affect statutory compliance for the System

   ▪ Are solely for budgetary purposes

   ▪ Involve object code corrections or intra-departmental allocations

➢ The determination of materiality rests with BFS

➢ Read and take action on the System Generated emails regarding ENROUTE documents. Campus Services will no longer send additional emails to campus related to ENROUTE documents.

➢ BFS no longer requires campus to split travel expenses that span across June 30th. Travel that begins on or before June 30th may be accrued entirely to FY25

Year-End Reminders - Campus Services

- CSU Fiscal year is July 1st – June 30th

- Kuali will close FP12 FY25 on Monday, June 30th at 7:00 PM

- From July 1st thru July 8th campus will have a drop down on certain documents to allow you to select either "YE 2025 Close" or "July 2025"
  - "YE 2025 Close" = Fiscal Period 13 FY25
  - "July 2025" = Fiscal Period 01 FY26

- Campus has until July 8th at 4:00 PM to make entries to FP13 FY25

- Campus Services will conduct a post-payment review to identify PREQs and DVs paid after year-end that should have been accrued in FY25
  - Campus will be contacted to ask if you've accrued the item
  - Accruals will be requested if material

Year-End Reminders - Campus Services cont'd

➢ June 23rd thru 30th, check your documents to make sure they are getting APPROVED. If they are still ENROUTE, contact the approvers in the Route Log and ask them to APPROVE the doc ASAP!

▪ Monitor the Route Log to get the document moved thru the approval nodes

▪ Documents listed below that are still ENROUTE or in a SAVED status after 7:00 PM on 6/30/25 will automatically be DISAPPROVED by the system and will have to be re-entered in July if they are needed.

• Includes Document Types: DI, GLT, IB, ICA, PE, SB and TF

Year-End Reminders – Accounts Payable

➢ FY25 Disbursement Vouchers must be submitted and APPROVED by Monday, July 7th at 10:00 AM

➢ Deadline to submit invoices to A/P to initiate a Payment Request is n Monday, July 7th at 10:00 AM

Year-End Reminders – Travel

➤ June 17th - Deadline to order Ghost Card airline tickets for FY25 travel. Email will be sent to FO summarizing the Ghost Card charges posted in FP13 FY25.

➤ TRs with an end date of June 30th or prior need to be approved and in the Travel Action List on June 30th by NOON to have them approved by year-end or accrued by Travel

- Travel will create the accrual entries only for documents in the Travel Action List on June 30th at NOON

- Departments must create accruals for travel docs if the TR was not in the Travel Action List by June 30th at NOON

➤ July 1st – First day a TR can be created for FY26.

Questions?

CAMPUS SERVICES

Kris King — 491-6752

Hayley Barnes — 491-7766

Jim McKune — 491-4148

Jocelyn Florez — 491-2801

A/P / TRAVEL

Ashley Meyer — 491-7530

bfs_campus_services@Mail.ColoState.EDU

http://busfin.colostate.edu/Depts/Campus_Svcs.aspx