Accruals

“A” Accruals or Encumbrances

- Items/Services received AFTER June 30th
- Valid Obligation Criteria
  - Materials, supplies and equipment – PO issued
  - Services – valid agreement
  - Contracts or MOU – must be signed
- Must first consider legislative intent
  - Meets above criteria, but cannot be contrary to intent of original approp when enacted

“A” Accruals Continued

- Record as General Ledger Journal on SABHRS
  - Debit expenditure(s), account 6XXXX
  - Credit A Accruals, account 2403
  - Must have org, program year and sub-class
  - Requires open item key
- See MOM Policy 375, Fiscal Year-End Procedures, for more detail

“B” Accruals

- Items/Services received BEFORE June 30th
- Payment made in FY2013
- Review the Valid Obligation Criteria
  - Contracts – performance completed or virtually complete

“B” Accruals Continued

- Record as General Ledger journal on SABHRS
  - Debit expenditure(s), account 6XXXX
  - Credit Accrued Liability (B), account 2301B
  - Requires open item key
- Monitor budgets and be aware of continuing appropriations
- See MOM Policy 375, Fiscal Year-End Procedures, for more details

Accrual Reminders

- Proper documentation
- Unbalanced A Accrual journals
  - Error in cash lines/balancing errors
- Account 2106B – Accruals between agencies
- Clean-up old Accruals
  - Use Encumbrance Assignment account 4301 (A Accruals older than two years)
- See MOM Policy 375