

# Fiscal Year-End Guidelines

With the University's fiscal year-end (June 30, 2024) approaching, below are recommended guidelines for efficient and effective year-end processing of financial transactions.

## Accounting for departmental expenses:

In accordance with generally accepted accounting principles, Drake is required to report transactions in the proper fiscal period. For that reason, expenses are recorded in the period when goods are **received** and/or services are **rendered**. **In short, items expensed to the FY24 budget will need to be received before the 'end of the day' on June 30, 2024.** Factors such as budget allocation, invoice receipt, or payment issuance would not impact the application of expenses within a fiscal period.

Exceptions to this general rule apply when a benefit of service or receipt of an item extends into multiple fiscal years. In such cases, the following guidelines will be applied.

- **Expenses less than \$5,000:** will be charged against the fiscal year in which the majority of the expense will be incurred. *(For example, if a subscription is purchased for \$3,000 and covers the period of 7/1/23 through 12/31/24, the expense would be charged to FY24 because 12 months are in FY24 and only 6 months are in FY25)*
- **Expenses greater than or equal to \$5,000:** will be split into the fiscal years according to the percentage of benefit received during each fiscal period. *(For example, if a subscription is purchased for \$10,000 and covers a period of 7/1/23 to 6/30/25, \$5,000 would be charged to FY24 since 12 months are for FY24 and \$5,000 charged to FY25 because the remaining 12 months is in the following fiscal year)*

The University's guidelines for year-end purchases are subject to external audit. As you make purchases during this period leading up to and overlapping our fiscal year-end, it is important to note when the goods or services were **received** so they are expensed according to reporting requirements. If the timing of receipt is not clearly noted on the invoice, it would be beneficial to help call the receipt date to the attention of accounting by clearly noting the appropriate fiscal year, based on the above guidelines, in the business description in Finance Self Service.

Please review the notice for processing year-end transactions through the Finance Self-Service tool as well as a timeline for processing year-end transactions.

Please contact Jeni Baugher at x4509 or [Jenifer.Baugher@drake.edu](mailto:Jenifer.Baugher@drake.edu) with any questions you might have.

## **ATTENTION: Recording Year-End Transactions in Finance Self-Service**

**TRANSACTION DATES:** The transaction date on your requisition or journal is important! Ensure the transaction date entered accurately reflects the period the expense or transaction applies to, based on the guidelines stated in the memo.

- **If a requisition or JV is for FY24, the transaction and Activity dates should reflect a date of 6/30/24 or prior.**
- **If a requisition or JV is for FY25, the transaction and Activity dates should reflect a date of 7/1/24 or after.**
- If a requisition is above \$5,000 and extends over multiple years, please use a transaction date of 6/30/24 or prior. Accounting will split the transaction over the fiscal years as specified in the Business Purpose section of the Requisition.

**PREPAID EXPENSES:** Reminder, **until 6/30/24**, if you are making a payment for FY25 or after or have an invoice that is to be paid over multiple fiscal years:

- Use 100000-13050 Prepaid expense FOAPAL when processing the payment. You will also need to enter your department org and program code in self-service to ensure proper routing for approval. Example: 100000 XXXX (Org) 13050 XXX (Prog Code).
- Choose prepaid expense from the 'Add Item' drop-down menu.
- In the Business Purpose/Comments field, include additional details that may be helpful to accounting, such as the department FOAPAL to be expensed and the appropriate split between fiscal years, if applicable. Accounting will use this information to charge your budget in the appropriate year(s).

\*\*\*\*\***After 6/30/24**, you will only enter a prepaid if it is for FY26 or after. After 6/30/24 we do not backdate requests for prepaid.

Please reach out to [accounting@drake.edu](mailto:accounting@drake.edu) with question you may have. We are here to help!

## Year-End Processing Timeline:

To facilitate efficient and effective year-end processing, the following timeline is recommended for the fiscal year ending June 30, 2024.

Deadline	Action	Additional Information
April 15	Submit final FY24 computer order requests	See the ITS KB article about computer purchasing guidelines: ( <a href="https://drake.teamdynamix.com/TDClient/2025/Portal/KB/ArticleDet?ID=28289">https://drake.teamdynamix.com/TDClient/2025/Portal/KB/ArticleDet?ID=28289</a> )
June 1	Complete FY24 purchases with vendors	Goods or services must be on Drake's campus or completed by June 30 to be expensed to FY24.  All purchases should be completed in adequate time to allow for the settlement of the transaction and receipt of the goods or services by June 30.
June 14	Review FY24 account activity through May	Account activity should be reviewed on a timely basis throughout the fiscal year. Any journal vouchers for July'23 through May'24 activity should be submitted through Finance Self Service by this date.
June 28	Clear outstanding FY24 Travel Advances	Please contact Jeni at x4509 or <a href="mailto:Jenifer.Baughner@drake.edu">Jenifer.Baughner@drake.edu</a> with any questions you have regarding outstanding travel advances.
July 12	Submit all FY24 payment requisitions	All requisitions for FY24 are to be submitted through Finance Self-Service by the end of the business day.  REMINDER: It is helpful to point out the fiscal year in which the good or service was received within the business description in Finance Self-Service, based on the guidelines provided in the memo.
July 19	Submit requests for FY24 restricted or endowed spending transfers.	All requests for restricted or endowed spending should be submitted by end of the business day. Please contact Kathy Veach at <a href="mailto:kathy.veach@drake.edu">kathy.veach@drake.edu</a> with any questions.
July 26	Final review of FY24 account activity	At this point, only June transactions should need to be reviewed. Journal Vouchers for any June corrections should be processed through Finance Self-Service by this date.

*\*\*\*Pcard statements and required documentation should be submitted electronically by the deadlines established within the program guidelines.*