

Standard Operating Procedure for Fiscal Year Classification of Expenditures

Purpose

To establish consistent practice in the accounting for expenditures as it relates to fiscal year classification. The determination of the fiscal year in which to recognize an expense is an accounting decision predicated on the point of ownership of assets (for goods), benefit of service for all other expenditures. The desired outcome is financial reporting, accurate in all material respects. This document applies to University and Foundation activity.

Year End Cutoff

Type of Expenditure	Date Invoice Received in Finance			
	March 1- June 30	July 1-July 31	July 31 or after (Deadline for 2 nd Close)	
Travel	Accounted for in FY19	Accounted for in the fiscal year in which travel period ends	Accounted for in FY20	Back dating – change General Ledger (GL) date and the terms date for GL. Grants Accounting reviews paper invoices and payment requests received by their office to ensure the correct expenditure item date is assigned so it is recorded in the correct fiscal year.
Services & Utilities	Accounted for in FY19	Accounted for in the fiscal year in which the service ends	Accounted for in FY20	Back dating – change GL date and the terms date for GL. Grants Accounting reviews paper invoices and

	Date Invoice Received in Finance			
Type of Expenditure	March 1- June 30	July 1-July 31	July 31 or after (Deadline for 2nd Close)	
				payment requests received by their office to ensure the correct expenditure item date is assigned so it is recorded in the correct fiscal year.
Goods	Accounted for in FY19	Accounted for in the fiscal year in which the goods are received – no date goods received use invoice date	Accounted for in FY20	Back dating – change GL date and the terms date for GL. Grants Accounting reviews paper invoices and payment requests received by their office to ensure the correct expenditure item date is assigned so it is recorded in the correct fiscal year.
Memberships & Subscriptions	Accounted for in FY19	Accounted for in FY 20	Accounted for in FY20	Back dating – change GL date and the terms date for GL. Grants Accounting reviews paper invoices and payment requests received by their office to ensure the correct expenditure item date is assigned so it

	Date Invoice Received in Finance			
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				is recorded in the correct fiscal year.
Maintenance Agreements	Accounted for in FY19	Accounted for in FY 20 unless only through June	Accounted for in FY20	Back dating – change GL date and the terms date for GL. Grants Accounting reviews paper invoices and payment requests received by their office to ensure the correct expenditure item date is assigned so it is recorded in the correct fiscal year.
P-Card Transactions	Accounted for in FY19	Transactions will be posted based on FY of transaction date	Accounted for in FY20	Back dating – change GL date and the terms date for GL. Grants Accounting reviews paper invoices and payment requests received by their office to ensure the correct expenditure item date is assigned so it is recorded in the correct fiscal year.

Finance will review invoices exceeding \$10,000 until August 9, 2019, and invoices based on materiality after that date. Invoices that have activity in both fiscal years or in the incorrect fiscal year may be adjusted with a journal entry if the calculated amount in the incorrect fiscal year is greater than the amounts above.

- NOTE: Please be aware that we have a year end accrual process for invoices greater than \$10,000. If you received goods or services before June 30 but you did not receive an invoice or the invoice did not get entered for 2nd close, please contact Kris Sano sanok@ohio.edu for a possible accrual entry and <https://www.ohio.edu/finance/finance-0-29> for more information.

SOP originated: 01-Jun-2004
Latest update: 17-APR-2019