

# UBC OKANAGAN

## YEAR-END ACCRUAL POLICY

### PURPOSE

The purpose of this policy is to ensure expenses are accurately recorded in the fiscal year they occur in.

### POLICY

All goods and services purchased and received by a Department before the fiscal year-end with a dollar amount greater than \$25,000 must be correctly accrued in the financial statements if the invoice has not been received.

### APPLICABILITY

Applies to all faculties, departments and ancillary operations.

### EXCEPTIONS

There are no exceptions to the policy.

### PROCEDURES

1. Review expenses greater than \$25,000 for goods and services provided or delivered before the fiscal year-end date (March 31).
2. If the Department does not receive the invoice before the fiscal year-end proceed with an accruing journal voucher entry.
3. Complete a **REVERSING** journal voucher with the following (use net amount of purchase):

DR	Expense Account
CR	Accrued Liabilities – Year-End (account # 221000)

**Ensure that Reversal Box on the journal is ticked so that the entry will be reversed out on the first day of the following year.**

4. Have the journal voucher approved by an authorized signatory for the PG and forward the journal voucher, with appropriate supporting documentation, to UBCO Finance for on-line entry.

### UPDATED

This policy was updated on March 21, 2014.