

## FYE Accrual Journals <sup>[1]</sup>

At fiscal year-end, you may have an expense or revenue to accrue. This happens when a transaction was incurred or earned in the fiscal year that's ending – but the transaction hasn't yet been recorded in the Finance System (FIN).

Creating an accrual journal entry lets you record the transaction in this fiscal year, and reverse the recording of the transaction in the next fiscal year, when the expense is actually paid or the revenue is actually received.

### Watch the video

### Read the procedures

FYE accrual journals are different from the regular actual journals you create in several ways:

- You give them Journal IDs beginning with ACC
- You give them Journal Dates of June 30.
- You mark them to Reverse on July 1.
- And, depending on when you create them, you may identify them as adjusting entries.

1. Start by creating a journal entry as you usually do: In FIN, navigate from the **Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries**.

2. Click **Add a New Value**. You'll be on the Add a New Value page.

3. Override the default Journal ID of NEXT, and enter ACC (for accrual), and then whatever you want in the remaining characters of the ID field.

4. Change the default Journal Date to June 30, and click **Add**.

5. On the journal header page, enter an appropriate Long Description to explain the reason for this journal. Be specific.

6. Upload Attachments to support the journal – like a copy of the invoice you are accruing, an email from your supplier with an estimated cost for work completed, or a spreadsheet with calculations supporting the transaction.

7. Depending on when you're creating your accrual journal, you may need to mark it as an adjusting entry. An adjusting entry is an entry made after the initial close of period 12 (that is, an entry in periods 996, 997, or 998). So -- if you're entering your June 30 accrual journal after first close, you need to change the adjusting entry field from non-adjusting entry to period 996 or 997, whichever is available at the time. There are three fiscal year-end adjustment periods:

- 996 is the adjustment period between first and second close.
- 997 is the adjustment period between second and third close.
- 998 is the adjustment period after third close. *Only the System and Campus Controllers Offices use period 998.*

8. Accrual journals need to be reversed. By default, a journal is not set to automatically reverse, so you need to change this for your accrual journal. Click the **Reversal** link.

9. In the Journal Entry Reversal popup screen, select Beginning of Next Period. With any accrual journal, you want the reversal to take place at the beginning of the next accounting period. At fiscal year-end, this means your June 30 journal will reverse on July 1. (Note: A reversal journal is created with the same Journal ID as the original journal.) Ignore all other fields in this pop up screen. Click **OK**.

10. Complete your journal line information and edit, check, and submit the journal as usual. We recommend submitting your journal from the Approval tab. This way, you can see the journal's approval workflow after you click Submit.

**Have a question or feedback?**

## **Questions & Feedback** <sup>[2]</sup>

**Feedback or Question \***

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**Your Email Address**

Submit

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**Source URL:** <https://www.cu.edu/controller/fye-accrual-journals>

### **Links**

[1] <https://www.cu.edu/controller/fye-accrual-journals>

[2] <https://www.cu.edu/controller/forms/questions-feedback-0>