

Department of Administrative Services - State Accounting Enterprise

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	235.200	1 of 1	January 1, 2018
Subject	YEAR-END PROCEDURES PRE-PAYMENT OF NEXT YEAR'S EXPENSES		

1. Advance Payments on Contracts

It may be necessary for departments to process advance payments on contracts prior to July 1 for work completed after July 1. For an explanation when advance payments are allowable, see Procedure 230.550. In these instances, a Correcting Journal Voucher 1 (JV1) or a Correction Document Expenditure (CDE) must be prepared with the advance, and both documents must be appropriately cross-referenced. The JV1/CDE will move the expense from the current fiscal year to the next fiscal year.

- a. To complete this transaction, JV1/CDE must be initiated by the department. Procedures 280.350 and 280.351 describe how to prepare a JV1/CDE.
- b. The JV1/CDE must be processed by the department and approved in 1/3 during the first ten (10) working days of July. Procedure 235.100 describes the time frames in which these transactions must be processed.

2. Subscriptions and Maintenance Agreements

Departments may realize a large savings by prepaying subscriptions and maintenance agreements for more than one year. See Procedure 230.550 for when prepayments are allowable. In these instances, a JV1/CDE for each year of the advance payment must be prepared when the claim processing the payment is made, with all documents appropriately cross-referenced. The department shall use the best information available to determine the account coding to be used for the future fiscal year(s). Each fiscal year, the JV1/CDE must be processed by the department during the first ten (10) working days of July. At that time, departments shall review the account coding for accuracy.

3. Other Prepayment Situations

It is possible that other prepayment situations may arise. When allowable, these should be handled as detailed above.