

Department of Administrative Services - State Accounting Enterprise

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	235.250	1 of 2	July 1, 2003 Revised 7/1/11
Subject	YEAR-END PROCEDURES PAYMENTS CROSSING FISCAL YEARS		

During each year-end cycle, there is some confusion as to which fiscal year should be charged when claims for goods and services cross the fiscal year. Below is an explanation detailing how to handle various types of payments.

1. Travel Expenses for State Employees

- a. When a trip is taken in which the expenses cross fiscal years, the claim for reimbursement can be submitted in one of two ways:
 - 1) Separate Travel Payments (TP) can be submitted for each fiscal year. Each TP must contain original signatures of the employee.
 - 2) One TP can be submitted, along with a correcting document (JV1CDE), both appropriately cross-referenced.
- b. When airfare is involved, the cost of the ticket is charged to the fiscal year in which the trip begins. When registration fees are involved, the basic fee is charged to the fiscal year when the event begins. Separate registration fees are charged to the year in which the event occurred. All other expenses are split based on the year in which the expense was incurred.
- c. Payments MUST be on separate documents by fiscal year. Documents shall not contain payments for two different fiscal years.

2. Payments for Services

Payments for services such as consulting, repair services, lawn mowing, construction, delivery services, etc., must be split by fiscal year.

- a. Departments should request a billing for services provided as of June 30, and a separate billing for services provided on July 1 and after. Two separate payment vouchers must be prepared and processed accordingly before sending to DAS-SAE-Daily Processing.
- b. If it is not possible for departments to receive two separate billings, it is necessary to obtain an invoice that is detailed enough to determine the service that was provided through June 30 and the service that was provided on July 1 and after.
 - 1) Two separate payment vouchers must be prepared.
 - 2) A copy of the invoice should be attached to the document processed for the current fiscal year with a notation indicating the claim number to which the original invoice is attached (the expenses applicable to the previous fiscal year).

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3. Payments for Goods that Cross Fiscal Years

- a. During each year-end cycle, there is some confusion as to which fiscal year should be charged when a claim for goods crosses the fiscal year. Examples may include telephone or utility bills, subscriptions, maintenance contracts, and similar items.
- b. Generally Accepted Accounting Principles (GAAP) does not require these types of payments to be allocated between fiscal years. The rule under GAAP is the same procedure that has always been used in Iowa - equal numbers of payments are charged in each fiscal year.
- c. Over time, internal departmental policies have been developed to assure an equal number of payments in each fiscal year for the types of payment described above. Each department must follow their own internal policy when making these types of payments.

4. Payroll Related Expenses

- a. Employee Payroll Expenses
 - 1) Payroll expenses related to regular state employees and board and commission members must be charged to the year in which they are earned. This is in conformance with GAAP.
 - 2) When one state department reimburses another state department for payroll related costs, the expenditure correction must be charged to the year in which the original payroll costs were charged.
 - 3) Corrections made by departments on payroll related expenses must be charged to the fiscal year in which the original payroll costs were charged.
- b. Client / Patient Payroll
 - 1) Payroll expenses related to those in the Client/Patient job class (15262) must be charged the same as regular employee expenses.
 - 2) Travel related expenses for those in the Client/Patient job class must be split between fiscal years, based on the dates of travel.