

FY2021 Year-End Accounts Payable Accrual Procedure
University of Houston

1. UH Finance will run a query (UHS_AP_VOUCHERS_TO_ACCRUE) on September 16, 2021 to identify all vouchers posted from September 1 through September 15, 2021 with a Goods Received Date prior to September 1, 2021.
2. Finance will create a journal entry in period 998 of the previous year to debit the cost center(s) and account(s) on each voucher and credit the same cost center(s) and account 20104 (AP Accrual End-of-Year). However, fund 5 cost centers will not be accrued to avoid early recognition of revenue through the Revenue Recognition process.
3. Finance will also create an encumbrance journal entry in period 998 to reduce the encumbrance on cost centers where a PO voucher was accrued. This will prevent the cost center's budget balance available from being understated by the amount of the accrual journal.
4. Finance will also create another journal entry in period 1 of the current year to reverse the period 998 accrual journal entry.
5. UH departments will be required to submit all vouchers to Accounts Payable prior to year-end processing deadlines that are ready for payment to avoid unnecessary accruals. Vouchers with prior-year Goods Received Dates that become ready for payment after the year-end deadlines must be submitted to Accounts Payable by 5 PM on September 10, 2021 so they can be accrued.
6. UH Finance may also accrue any other prior-year expenses of significant amount, which are not captured through the voucher process.