**Prior Year Fund Adjustments**

**What are Prior Year account codes?**

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| --- | --- | --- |
| **Account Code** | **Description** | **Normal Balance** |
| **32100** | **Increases Fund Equity** | **CREDIT (-)** |
| **36100** | **Decreases Fund Equity** | **DEBIT (+)** |

**Why are prior year account codes required:**

There are two different types of accounts:

* Permanent: balance sheet accounts including assets, liabilities and equity. These account

balances roll over to the next fiscal year. So, the ending balance of this fiscal year will be

the beginning balance for next fiscal year.

* Temporary: such as revenues and expenses. These account balances do not roll over to

the next fiscal year. The closing process zeroes out the balances for revenues and

expenses to fund equity.

Therefore, prior year account codes are required when adjustments to revenues and expenses, incurred in a closed prior fiscal year, are processed in the current fiscal year.

**Note**: Actual account codes should be used for: Assets, Liabilities, Equity accounts, State (Fund 1), Project Grants (Ex: G0500195) & Plant cost centers (Ex: M001584, P791024).

**Journal Example:**

**Note**: Account 32100 is to post CREDITS and 36100 is to post DEBITS

The journal created to record the prior year adjustment should have current period information (i.e., Period, Fiscal Year, Budget Reference, etc.)

Documentation to upload with journal:

1. Current copy of 1074 report depending on account to be reallocated.

Run report as follows:

**FROM** Fiscal year transaction occurred **TO** current Fiscal year and current period

1. Expense or Revenue Account - Section 3b: Detailed Transactions – Revenue/Expense
2. Asset or Liability Account - Section 3a: Detailed Transactions-Assets/Liabilities/Fund Equity AND Section 6: Summarized Balance Sheet