REVENUE ACCRUAL EXAMPLE #1

Account 2205000 receives an order to test a soil sample on April 30th. The test results are complete and the customer is invoiced on May 31st for $200. The customer pays us on July 3rd. What document(s) would be used, and when would this revenue be recognized? How would you record the receipt of $200 from the customer on July 3rd?

The revenue is booked when the work is complete. Since the work is complete on May 31st, an Adjustment Voucher document will be completed.

The following is an example of an Adjustment Voucher document:

**Adjustment/Accrual Voucher**

**DOCUMENT OVERVIEW**

**OVERVIEW**

- **Description:** Book revenue for soil sample
- **Explanation:** Entry to book revenue earned on a soil sample test completed on 5/31/20

**FINANCIAL DOCUMENT DETAIL**

- **Total Amount:** 200.00

**ADJUSTMENT/ACCRUAL VOUCHER DETAILS**

**ACCOUNTING LINES**

**GENERAL LEDGER PENDING ENTRIES**

**NOTES AND ATTACHMENTS (1)**

- **Note Text:**
  - Attachment: Choose File: No file chosen
Once the revenue is received you will fill out the Cash Receipt document, and book it to the 1437 object code, to reverse the Receivable balance.
REVENUE ACCRUAL – EXAMPLE #2

Account 2609860 received and booked a $500 conference deposit to OC 4380 on May 31st for a conference from September 1-3. What document(s) would you use to book this, and what fiscal year does it go in?

Since the revenue is already booked, you will do an Accrual Voucher document with a reversal date of 9/3/20 (FY21), when the revenue is earned.
EXPENSE ACCRUAL – EXAMPLE #1

Account 1262000 ordered office supplies on April 30th in the amount of $500 and the supplies were received on May 31st. The vendor was paid on July 2nd. What document will be filled out and what fiscal year will this be in?

When the supplies are received an Adjustment Voucher Document will be filled out to book the expense and the Year-end Payable. Once it is paid through a Disbursement Voucher document, the Year-end Payable OC2103 that was set up in the Adjustment Voucher, will be reduced.
EXPENSE ACCRUAL – EXAMPLE #2

Account 1356570 entered into a 12-month Service agreement in the amount of $12,000 that runs 4/1/20 – 3/31/21. It was originally booked in full to OC6601. What document(s) will be used to accrue for the expense and what fiscal year will this be recognized in?

Since the full amount was booked to OC6601, we need to do an Accrual Voucher to move the FY21 portion of the expense out of FY20 to FY21 for and record the Prepaid Expense OC1740. ($12,000/12mo. = $1,000/mo × 9mo. = $9,000)

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TOTALS: 9,000.00  9,000.00

GENERAL LEDGER PENDING ENTRIES

NOTES AND ATTACHMENTS (1)

* Note Text:  
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POSTED TIMESTAMP | AUTHOR | NOTE TEXT | ATTACHED FILE | NOTIFICATION RECIPIENT | ACTIONS
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05/23/2020 12:38 AM | King, Kristine | Move FY21 portion of the 4/1/20 - 3/31/21 Service Agreement out of FY20 to FY21. $12,000 / 12mo. = $1,000/mo × 9mo. = $9,000 |   |   |   