

Accrual/Deferral Webinar Questions from Participants

- **Question:** How are encumbrances released from the prior FY if the invoice has already be paid/vouchered?
- **Answer:** Releasing encumbrances can occur by meeting certain criteria within the financial system, making changes to a purchase orders (which changes the encumbrance amount), or by manually releasing the encumbrances in the financial system. Please refer to the encumbrance support site at <https://cnc.ucr.edu/encumbrances/release.html> to determine the appropriate method for a particular situation. The support site also includes a section covering problems and issues. *Please note that it will take 2-3 business days for the encumbrance reduction to appear on the Financial Transaction Detail Report.* If after reviewing this website, questions still remain on how to clear an encumbrance, please contact the General Accounting Supervisor, Jerry Monahan (jerry.monahan@ucr.edu).

- **Question:** A question unrelated to accruals/deferrals - What email address should be used to request use tax reversals?
- Answer:** Use tax reversal requests, related to ProCard transactions, should be emailed to ucrAP@lists.ucr.edu. The request must include a copy backup documentation (e.g. receipt) showing that sales tax was collected by the vendor (duplicate tax charge), or that the purchase was tax-exempt.

- **Question:** Is accrual by transaction or by FAU?
- Answer:** Unfortunately, “one size fits all” does not apply. Each situation should be examined and evaluated. When multiple transactions are related to a single economic event, it would be appropriate to accrue based on FAU (e.g. summer session tuition, bi-weekly payroll). In some cases, multiple transactions charged to various FAUs should be accrued because the transactions will be consolidated into a single disbursement (e.g. multiple invoices > 1 payment to the vendor). If uncertain about a particular situation after reviewing with the department Financial Manager and/or CFAO, please contact the Accounting Office for assistance.

- **Question:** Are you waiving payment terms on ATPs?
- Answer:** Based on the high volume of invoices received and the associated administrative processes, Accounts Payable typically processes invoice payments as “Due” even though the negotiated payment terms may allow a longer time period (e.g. 30 days). Payments are not routinely scheduled to pay at future dates at any time during the year. The Accounts Payable team strives to maximize cost savings by meeting prompt payment discount terms.

- **Question:** On payroll accruals, do FAUs include Cost Centers or just Activity, Fund, Function?
- Answer:** For Service and Auxiliary enterprises, it is up to the department if they would like to include the cost center on the accrual. The cost center is optional.

- **Question:** If we have already closed a particular FAU, will the consolidated bi-weekly payroll accrual result in ledger entries requiring further closing entries?
- Answer:** The consolidated biweekly accruals will not require further closing entries by the department.