



PREPAID TRANSACTIONS IN PEOPLESOFT

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Overview

It is sometimes necessary to make a purchase or a payment in one fiscal year for goods or services that must be accounted for in the next fiscal year.

This document discusses how to:

- Determine the correct fiscal year for a purchase
- Initiate a purchase in the old fiscal year
- Prepare the correcting entry in the new fiscal year

All of these transactions ensure that expenses are appropriately reflected in the annual financial report.

Definitions

Prepaid Expenses or Deferred Charges - Costs that are incurred in the current year for future year's activities are recorded as an asset (prepaid expense) and amortized over the periods to which the charges relate. Examples include: rent paid in advance, subscriptions for the new year, or payments in the current year for software licenses for the next year.

Unearned (Deferred) Revenue - Payments received by UVM for services rendered in a future fiscal year are recorded as a liability (unearned revenue) in the current fiscal year. The liability is eliminated and the revenue is recognized in the year the service is provided. Examples include: tuition for summer session courses taught in July and August, fees received in May or June, advance sale of athletic tickets for future year's season, and fixed-price grants when the money is received up-front and revenue is recognized as expenses are incurred.

Purchases for the New Year

Requisitions

Requisitions for goods that relate to a new-year activity must use a prepaid category on the requisition. This will charge a prepaid account (13xxx) in the general ledger. **The function code must be 000**, or the requisition will fail budget checking.

If the invoice is paid in the old fiscal year, the requester must then prepare a journal in the new fiscal year to move the payment from the prepaid account and function 000 to an appropriate expense account and function.

If the invoice was not paid in the old fiscal year, the purchase order will be cancelled. A new requisition will need to be created in the new fiscal year to an appropriate expense account.



Examples of requisitions on prepaid categories include: new fiscal year rent, insurance, and software licenses. Routine purchases like supplies made in the current year that may also be used in later years should not use a prepaid category unless the amounts to be used in the future year are specifically designated for a new fiscal year program.

Purchasing Card (PurCard)

Purchases made on the Purchasing Card for future-year activity must be put on a prepaid account (13xxx) and **function 000** when the journal is reallocated in the old fiscal year. The cardholder or proxy must then prepare a journal in the new fiscal year to move the payment from the prepaid account and function 000 to an appropriate expense account and function.

Examples of old-year PurCard transactions that need to be allocated to prepaid accounts include: registration fees and airfare for conferences held in the new fiscal year. These should be allocated to account 13102 PurCard Travel in the old year.

Find Prepaid Expenses

Closeout Report

The Closeout Report can be used to find prepaid transactions from the prior fiscal year that need to be moved to the correct account in the current fiscal year. This report can be used for both projects and general fund chartstrings.

Closeout Report Section **“4F. Vouchers in Progress”** displays an Alert line if there are prepaid vouchers that need to be corrected:

```

4F. All Vouchers are completed for the selected parameters.
-----
4F1. Alert: There are balances in these accounts.
-----
13001 Pre-Paid Exp - General      01 30200 100 100001 000      0000 0000 0000      240.00
13001 Pre-Paid Exp - General      01 30200 100 100001 000      0550 0000 0000      85.00
13001 Pre-Paid Exp - General      01 30200 100 100001 000      0552 0587 0000      1,075.00
13001 Pre-Paid Exp - General      01 30200 100 100001 000      0560 0000 0000      750.00
13102 Pre-Paid Exp - Purcard Travel 01 30200 100 100001 000      0000 0361 0000      607.80
13102 Pre-Paid Exp - Purcard Travel 01 30200 100 100001 000      0550 0000 0000      195.00

```

For help running the Closeout Report, consult the [Basic Financial Reports User Guide \(PDF\)](#).

PeopleSoft Drill Down

The General Ledger screens in PeopleSoft are also useful in reviewing accounting information, particularly prepaid accounts. This example is for an FY18 prepaid transaction.

1. [Log into PeopleSoft Financials](#)



- Navigate to: **General Ledger > Review Financial Information > Ledger**
- If you have already created an Inquiry Name, skip to [Step 8](#). Otherwise, click **Add a New Value** to create a new inquiry name.

[Favorites](#) |
 [Main Menu](#) |
 [General Ledger](#) |
 [Review Financial Information](#) |
 [Ledger](#)

Ledger

Enter any information you have and click Search. Leave fields blank for a list of all values.

[Find an Existing Value](#) |
 [Add a New Value](#)

Inquiry Name

[Search](#) |
 [Clear](#) |
 [Basic Search](#) |
 [Save Search Criteria](#)

[Find an Existing Value](#) |
 [Add a New Value](#)

- Enter an **Inquiry Name** and click **Add**.
- Enter the following in the Ledger Criteria:
 - Unit (always UVM01)
 - Ledger (always Actuals)
 - Fiscal Year
 - From Period
 - To Period
 - Check the "Show Transaction Details" box if desired
- Enter the following Chartfield Criteria:
 - Account (13xxx)
 - Department, Project, or Program (as needed)
 - Sum By check box
- Click **Save**.
- Click **Search**.

Ledger Inquiry

Enter ledger, period, ChartField and rest of the criteria. Click on Search button to execute the query.

Ledger Criteria

Inquiry Name: LEDGER

 *Unit: UVM01

 *Ledger: ACTUALS

 *Fiscal Year: 2018

 *From Period: 1

 *To Period: 12

 Currency:

 Stat Code:

 Date Code View:

 Show YTD Balance

 Show Transaction Details

 Include Closing Adjustments

 Only in Base Currency

 Max Ledger Rows: 100

[Search](#) |
 [Clear](#) |
 [Delete](#)

Chartfield Criteria Personalize | Find | 1-13 of 13 | Last

ChartField	Value	ChartField Value Set	Update/New	Sum By	Value Required	Order-By	
Account	13150		Update/New	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		1
Department	55020		Update/New	<input checked="" type="checkbox"/>	<input type="checkbox"/>		2

Sel	Period
<input checked="" type="checkbox"/>	997
<input checked="" type="checkbox"/>	998



- 9. If the “Show Transaction Details” box was not checked, the Ledger Summary page is displayed. Click any **Activity** or **Detail** hyperlink to drill to the source information.

Ledger Inquiry

Ledger Summary

Before clicking on Detail hyper link, you can click on "Ledger Detail Drill-Down Chartfield Display" to display the chartfields that are pertinent to your inquiry.

Ledger Criteria

Inquiry Name	Unit	Ledger	Fiscal Year	From Period	To Period	Currency	Stat
LEDGER	UVM01	ACTUALS	2018	1	12		

Date Code View

Show YTD Balance Include Closing Adjustments Max Ledger Rows 100

Show Transaction Details Only in Base Currency

Go To Inquiry Criteria

Ledger Detail Drill-Down Chartfield Display

Ledger Summary Find | View All First 1 of 1 Last

Ledger Amount by Currency Personalize | Find | 1 of 1

Period	Activity	Detail	Account	Dept	Account Description	Period Balance (in Transaction Currency)	Currency	Period Balance (in Base Currency)	Base Currency
1	Activity	Detail	13150	55020	Pre-Paid Exp - Rent	-2,204.00	USD	-2,204.00	USD
2	Activity	Detail	13150	55020	Pre-Paid Exp - Rent	2,022.85	USD	2,022.85	USD
3	Activity	Detail	13150	55020	Pre-Paid Exp - Rent	575.00	USD	575.00	USD
4	Activity	Detail	13150	55020	Pre-Paid Exp - Rent	-3,660.85	USD	-3,660.85	USD

Currency Totals

Amount (in Transaction Currency)	-3,267.00	USD	Amount (in Base Currency)	-3,267.00	USD
----------------------------------	-----------	-----	---------------------------	-----------	-----

Save Return to Search Notify Add Update/Display

- 10. If the “Show Transaction Details” box was checked, or after clicking an Activity or Detail hyperlink, transactions will be displayed on the Transaction Details page. Click **View All** in header, i.e. Journal Line, to see all returned results (if necessary).

Ledger Inquiry

Transaction Details

Ledger Criteria

Go To Inquiry Criteria

Transaction Criteria

Transaction Details Find | View All First 1 of 4 Last

Ledger by Period and Chartfields Personalize | Find | 1 of 1

Period	Account	Dept	Account Description	Stat
1	13150	55020	Pre-Paid Exp - Rent	

Amount (in Transaction Currency) -2,204.00 USD Amount (in Base Currency) -2,204.00 USD

Journals Personalize | Find | 1-5 of 5 Last

Journal ID	Line Descr	Date	Seq	Stat Amt	N/R	Amount (in Transaction Currency)	Currency	Amount (in Base Currency)	Base Currency
0000281913	R Client #151088 July Rent	07/10/2017		0.00	N	-622.00	USD	-622.00	USD
0000281913	R Client #152372 July Rent	07/10/2017		0.00	N	-675.00	USD	-675.00	USD
0000281913	R Client #153343 July Rent	07/10/2017		0.00	N	-1,395.00	USD	-1,395.00	USD
0000281913	R Client #156738 July Rent	07/10/2017		0.00	N	-575.00	USD	-575.00	USD
AP00283145	AP Accruals	07/24/2017		0.00	N	1,063.00	USD	1,063.00	USD

Save Return to Search Notify Add Update/Display



11. Click the **Journal ID** to view additional details, including the full chartstring. This example is for

Journal Inquiry
Journal Inquiry Details

▶ Ledger Criteria

Go To Inquiry Criteria * Transaction Details

Journal Header

Journal ID	0000281913	Date	07/10/2017	Schedule	
Ledger Group	ACTUALS	Original Date	07/10/2017	Process	No Request
Source	TSC	Date Posted	07/27/2017	Total Lines	8
Journal Status	Posted	Reversal Date		User ID	
Balanced	DR=CR	Reversal	None	InterUnit BU	UVM01
Doc Seq		Budget Status	Valid	Date Code Adjustment	N
Long Description	Transfer pre-paid expenses to appropriate grant budget.				

[View Attachment](#)

All Lines From/To
 From Line To Line

Totals by Currency [Find](#) | [View All](#) | First 1 of 1 Last

Currency	USD	Debit Amount	3,267.00	Credit Amount	3,267.00	Net	0.00
----------	-----	--------------	----------	---------------	----------	-----	------

Journal Line [Personalize](#) | [Find](#) | [View All](#) | First 1 of 1 Last

Line #	Line Descr	SpeedType	Amount (in Transaction Currency)	Currency	Account	Oper Unit	Fund	Dept	Program	Function	Bud Ref
8	R Client #151088 July Rent		-622.00	USD	13150	15	300	55020	0000	000	

12. To change criteria, click the **Inquiry Criteria** hyperlink.

To go back one screen to the Transaction Detail, press the **Transaction Detail** hyperlink.

13. If the transaction of interest is an AP voucher, click the **Drill to Source** icon to find additional information about the voucher.

Journal Line [Personalize](#) | [Find](#) | [View All](#) | First 1 of 1 Last

Drill to Source	Line #	Line Descr	SpeedType	Amount (in Transaction Currency)	Currency	Account	Oper Unit	Fund	Dept	Program	Function
	2	AP Accruals		622.00	USD	13150	15	300	55020	0000	000



14. A new window will open to display the Drill to Source screen.

Drill to Source

Journal ID

Business Unit UVM01 Journal AP00283988 Date 08/04/2017 GL Journal

Ledger ACTUALS Line 2 Line Descr AP Accruals

Chartfields Personalize | Find | View All | [Print] First 1 of 1 Last

Account	Operating Unit	Fund Code	Department	Program	Function	Source	PC Business Unit	Project	Activity	Analysis Type	Purpose
13150	15	300	55020	0000	000	201001	GCA01	032645	SPNS		0060

Base Currency USD Base Amount 622.00

Currency USD Transaction Amount 622.00

Statistics Code Statistic Amount

Details Personalize | Find | View All | [Print] First 1 of 1 Last

Chartfields **Voucher Information** Document Information [PDF]

Voucher ID	Descr	Vchr Line	Distrib Line	Amount	Currency	Base Amount	Currency
00763748	Expense Distribution	1	1	622.00	USD	622.00	USD

15. Click the **Voucher ID** hyperlink. A new window will open to display the Voucher Accounting Entries, including the voucher number, invoice number, supplier name, and invoice description.

Voucher Accounting Entries

Business Unit AP001 Voucher ID 00763748 Invoice Number R Client #151088 August Rent

Accounting Line View Option Standard Invoice Date 08/03/2017 Show Foreign Currency

Supplier ID 0000048062 Sort By Posting Process

Supplier Name Arnold E Knowlton Search Reset

Accounting Information Find | View All First 1 of 2 Last

Posting Process AP Accrual GL Dist Status Distributed Posting Date 08/04/2017

Main Information Chartfields Journal [PDF]

Description	Monetary Amount	Currency Code	Ledger	GL Unit	Accounting Date
Accounts Payable	-622.00	USD	ACTUALS	UVM01	08/04/2017
R Client #151088 August Rent	622.00	USD	ACTUALS	UVM01	08/04/2017

16. To view a purchasing card transaction, click **Inquiry Criteria**, and select the checkbox **Show Transaction Details** and perform another search.

17. On the Transaction Details page, click the **Journal ID** hyperlink for the desired PurCard journal.



Ledger Inquiry

Transaction Details

Go To [Inquiry Criteria](#)

Transaction Criteria

Transaction Details Find | View 1 | First | 1 of 1 | Last

Ledger by Period and Chartfields Personalize | Find | 1 of 1

Period	Account	Account Description	Stat
8	13102	Pre-Paid Exp - Purcard Travel	

Amount (in Transaction Currency) -1,567.29 USD Amount (in Base Currency) -1,567.29 USD

Journals Personalize | Find | 1-7 of 7 | Last

Journal ID	Line Descr	Date	Seq	Stat	N/R	Amount (in Transaction Currency)	Currency	Amount (in Base Currency)	Base Currency
0000294362	ORBITZ	02/01/2018		0.00	N	-721.92	USD	-721.92	USD
0000294362	UNITED	02/01/2018		0.00	N	-615.60	USD	-615.60	USD
0000294362	DELTA AIR	02/01/2018		0.00	N	-507.48	USD	-507.48	USD
0000294362	VIR ATL	02/01/2018		0.00	N	-767.16	USD	-767.16	USD
0000294362	JETBLUE	02/01/2018		0.00	N	-483.78	USD	-483.78	USD
P073772-51	Prepaid air fare to Costa Rica	02/02/2018		0.00	N	306.87	USD	306.87	USD
P108699-51	PAYPALLOCATION ManettJuly Rent	02/02/2018		0.00	N	1,221.78	USD	1,221.78	USD

18. The Journal Inquiry Details page will be displayed.

Journal Inquiry

Journal Inquiry Details

Go To [Inquiry Criteria](#)

Transaction Details

Journal Header

Journal ID	P108699-51	Date	02/02/2018	Schedule	
Ledger Group	ACTUALS	Original Date	02/02/2018	Process	No Request
Source	PUR	Date Posted	02/21/2018	Total Lines	15
Journal Status	Posted	Reversal Date		User ID	hleblanc
Balanced	DR=CR	Reversal	None	InterUnit BU	UVM01
Doc Seq		Budget Status	Valid	Date Code Adjustment	N
Long Description	USBank PURCARD 02/02/2018 9488				

[View Attachment](#)

All Lines From/To

From Line To Line

[Query Journal Lines](#)

Totals by Currency Find | View All | First | 1 of 1 | Last

Currency	USD	Debit Amount	7,741.32	Credit Amount	7,741.32	Net	0.00
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Journal Line Personalize | Find | View All | 1 of 1 | Last

Line #	Line Descr	SpeedType	Amount (in Transaction Currency)	Currency	Account	Oper Unit	Fund	Dept	Program	Function	Bud F
15	PAYPALLOCATION ManettJuly Rent		1,221.78	USD	13102	12	100	52020	0000	000	

19. Notice that the purchasing card journal information is displayed, including the vendor name in the Line Description field.



Correct Prepaid Accounts

Prepare correcting journals only in the new fiscal year, crediting the prepaid account and function 000, offsetting with a debit to the correct expense account and function where the expense should be charged.

Resources/Help

Help

If you have questions about information in this user guide, please contact:

- [Disbursement Center Accounts Payable team](#) - for questions on corrected prepaid expense or unearned revenue transactions
- [Purchasing Services](#) – for questions relating to requisitions and purchase orders

Training

Here are links to related resources, classes, and policies:

- [UFS Roadshow Training Topics \(PDF\)](#)
- [Professional Development & Training Classes](#)
- [University Policies and Operating Procedures](#)