



The University financial statements are shown on a US GAAP accrual basis and all balance sheet activity must represent valid activity as of June 30, 2023. It is highly discouraged that units include balance sheet activity that relates to other University units and any internal balances must be reported to Financial Services.

For fiscal year 2022-2023 close, supporting documentation must be attached into ACCTs for journal entries that move balances onto balance sheet accounts. The below gives examples of commonly used balance sheet account controls utilized at fiscal year-end and examples of acceptable supporting documentation*. It is highly recommended that at fiscal year-end, units check the 'automatic accrual reversal' box in ACCTS if the balance is solely being recorded for June close.

Accounts Receivable (0-XXXXX-1370/1389)

Purpose: This is generally utilized to ensure that units recognize revenue in the period the revenue is earned, even if the cash has not been received from the third party. The offset to accounts receivable should generally be a revenue subaccount (e.g. 0800-0819 on a Ledger 2 account or 9800-9819 on a Ledger 4 account) but may also be an expense if the unit is anticipating an expense reimbursement.

Types of Support for ACCTS: UChicago invoice sent to third party demonstrating revenue was earned on or before June 30, 2023; Email correspondence with external party demonstrating revenue was earned or expense reimbursement relates to activity on or before June 30, 2023.

Allowance for Doubtful Accounts (0-XXXXX-1398/1399)

Purpose: For units that record accounts receivable and have balances throughout the year, it is recommended that an analysis be performed for the collectability of those receivables. If any receivables are identified as potentially uncollectible, an allowance should be established to offset the associated accounts receivable balance. The offset for the allowance should be within the unallowable costs subaccounts (e.g. 9912).

Types of Support for ACCTS: Aging analysis/historical bad debt write-off analysis.

Prepaid Expenses/Deposits with Third Parties (0-XXXXX-1610/1629)

Purpose: This is generally utilized if an expensed item is to be utilized for a period of time beyond fiscal year end (e.g. an uncapitalized software license was purchased in January for a three year period – the FY22 expense should only reflect the portion of the expense related to January through June) or if funds are held temporarily with a third party (e.g. deposit on an event space).

Types of Support for ACCTS: Invoice demonstrating period covered by expense, if applicable. Payment receipt showing type of payment or date deposit will be returned/applied to balance.

*This is not a comprehensive list as some balance sheet activity, such as inventory, is used by a very small sub-set of the user population or the account controls are generally managed by central units (e.g. grant accounts receivable or investments). This also does not include accruals for bonuses earned before the end of the fiscal year due to the confidential nature of such payments.



Accounts Payable and Accrued Expenses (0-XXXXX-2128 or 2180/2189)

Purpose: To account for external expenses incurred whereby the third party has not been paid but the goods have been received or services have been rendered on or before June 30, 2023. *Units cannot utilize this to rollover unexpended budget as that is not a valid FY23 expense or liability.*

Types of Support for ACCTS: Invoice from to third party demonstrating goods shipped or services provided on or before June 30, 2023; Email correspondence with external party demonstrating the University received the goods/services on or before June 30, 2023.

Deferred Revenue (0-XXXXX-2250)

Purpose: For units that have received payment from third parties but the revenue will be earned subsequent to June 30, 2023 (e.g. payment for summer programming that will occur in July or August). *Units cannot utilize this to rollover unexpended budget as that is not a valid FY23 adjustment to revenue or liability.*

Types of Support for ACCTS: UChicago invoice or contract demonstrating period of performance by the University.

*This is not a comprehensive list as some balance sheet activity, such as inventory, is used by a very small sub-set of the user population or the account controls are generally managed by central units (e.g. grant accounts receivable or investments). This also does not include accruals for bonuses earned before the end of the fiscal year due to the confidential nature of such payments.