

## Create an Accrual Journal

**Purpose:** An accrual journal entry records expenses incurred during an accounting period but not yet paid. The purpose of accrual accounting is to ensure that a company's financial statements accurately reflect its true financial position.

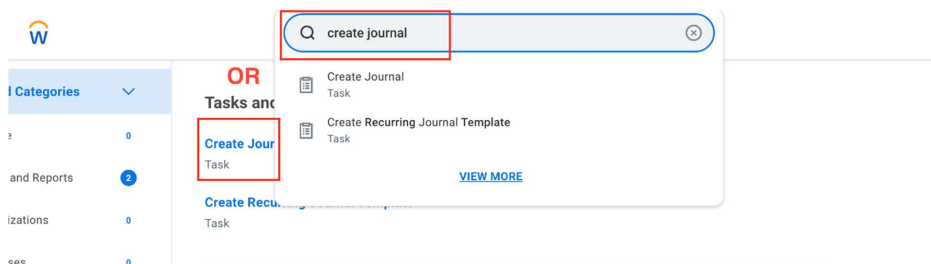
### Security Roles:

- Accountant
- Supplemental Accountant
- Shared Environment Accountant

**\*For purposes of Shared Environments (SEs) using this function, make sure it is a Shared Environment Accountant role entering as it will allow for balance sheet accounts to be submitted in the journal.**

**Threshold:** Fiscal Year-end Accrual Threshold: **\$25,000** per invoice for non-proviso accruals

**Step 1.** Type into search bar "Create Journal" and hit return or click on the Create Journal task when it shows up.



**Step 2.** Fill in the required fields for the accrual journal; which are:

1. **Ledger.** Enter the company code you need – UW1861 or SOM – and choose the "Actuals" option (do not choose Encumbrance or Pre-encumbrance). In the example below you will see "UW1861: Actuals" was chosen.
2. **Accounting Date.** Choose today's date if it is in June or use 6/30/2026 if it is July but the accrual is for FY26 year-end invoices.

3. **Journal Source.** There are several journal sources; for this process flow select "Accrual."
4. **Memo Field.** While this field is not a required field, it is highly recommended it be populated with a description of what the accrual journal is for. In the case of year-end expenses, the example below indicates this is accruing expense to use FY26 Proviso Funds. If it is an accrual for non-Proviso funds, please use this format for memo field: FY26 Year-End Invoice Accrual: non-Proviso.
5. **Create Reversal & Reversal Date.** When you select "Accrual" in your Journal Source, you **MUST** select "Create Reversal" and select a reversal date. Accrual journal entries are reversed in accounting to make room for recording actual expenses in the next accounting period.
  - a. **Reversal Date.** You must select a date for the next accounting period, which is the following month. Example, if you create the accrual journal on June 6, 2026 you will want to select the reversal date as July 1, 2026 which is the next accounting period.
6. **Continue.** Click continue once you have your ledger, accounting date, journal source, and create reversal marked and date selected.

**Create Journal** ×

Fill out the header information and click continue to enter journal lines.

<p><b>Ledger</b> * <span style="border: 1px solid red; padding: 2px;">x UW1861 University of Washington : Actuals ...</span></p> <p><b>Accounting Date</b> * <span style="border: 1px solid red; padding: 2px;">06/26/2024</span></p> <p>Period Jun-FY2024 Actuals (UW1861 University of Washington)</p> <p>Currency USD</p> <p><b>Journal Source</b> * <span style="border: 1px solid red; padding: 2px;">x Accrual ...</span></p> <p>Display Account Set (empty)</p> <p>Balancing Fund <input type="text"/></p> <p>Optional Balancing Worktags (empty)</p> <p>Currency Rate Type (empty)</p> <p>Book Code <input type="text"/></p>	<p><b>Memo</b> <span style="border: 1px solid red; padding: 2px;">accrual journal for use of FY24 Proviso fur</span></p> <p>External Reference ID <input type="text"/></p> <p>Record Quantity <input type="checkbox"/></p> <p>Enable Multicurrency <input type="checkbox"/></p> <p>Include Tax Lines <input type="checkbox"/></p> <p>Disable Optional Worktag Balancing <input type="checkbox"/></p> <p>Adjustment Journal <input type="checkbox"/></p> <p><b>Create Reversal</b> <input checked="" type="checkbox"/></p> <p><b>Reversal Date</b> * <span style="border: 1px solid red; padding: 2px;">07/01/2024</span></p> <p>Control Total Amount <input type="text" value="0.00"/></p>
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Continue
Cancel

**Step 3.** Fill in the required debit and credit lines for the expense you are accruing. The debit ledger should match the ledger that the expected expense will post to

when the payment is made in the future period. You will **ALWAYS** credit the Accrued Liabilities ledger (22000).

1. **Company.** Company pre-populates from your ledger selection in Step 2.
2. **Line 1: Debit.** Make line 1 your debit line and select the ledger account in which you want to accrue the expense.
3. **Line 2: Credit.** For accrual journals for UW1861 or SOM, you will **ALWAYS** credit against the 22000: Accrued Liabilities ledger.
4. **Memo Field.** You can be more granular if you like but not necessary if you already filled out the memo field in Step 2.
5. **Worktags.** Continue filling out the necessary worktags for your accrued expense. **For the credit, DO NOT populate the spend category.** Only balancing unit and fund are required for the credit. For the debit, the fields you need to make sure are filled out are:
  - a. Cost Center [Cost Center field]
  - b. Balancing Unit [Additional Worktags field]
  - c. Resource [Resource field]
    - i. Resource will automatically drive the fund.
  - d. Fund [Resource worktag will populate the fund]. \*Other optional fields are allowed but not required (program, assignee, etc.)

**Commented [EW1]:** Technically this line on the journal will not require user input for the following fields, but we are asking them to populate; cost center, balancing unit, resource (drives fund). Do not populate spend category. Other optional fields are allowed (program, assignee, etc.)

Journal Entry Lines    Attachments

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Journal Entry Lines 2 items

Order	*Company	Ledger Account	Debit Amount	Credit Amount	Memo	External Reference ID	Budget Date
+	UW1861 University of Washington		2,000.00	0.00	use of proviso funds for x contract		06/26/2024
-	UW1861 University of Washington	22000:Accrued Liabilities	0.00	2,000.00			06/26/2024

Journal Entry Lines 2 items

Grant	Gift	Program	Cost Center	Resource	*Additional Worktag

**Step 4.** When you have both your debit and credit lines filled out with all the necessary information, you will click Submit. Once submitted, the journal will follow the normal approval routing.

Journal Entry Lines    Attachments

Journal Entry Lines 2 Items

Order	*Company	Ledger Account	Debit Amount	Credit Amount	Memo	External Reference ID	Budget Date
+	UW1861 University of Washington		2,000.00	0.00	use of proviso funds for x contract		06/26/2024
+	UW1861 University of Washington	22000:Accrued Liabilities	0.00	2,000.00			06/26/2024

Submit    Save for Later    Cancel

**Step 5.** Please attach supporting documentation to your submitted journal entries, including copies of invoice(s) you accrued for.

**NOTE:** Please review receipt accruals posted in the period before submitting an accrual journal entry to avoid duplication. For fiscal year-end 2026, the receipt accrual journal entry will be available on and after July 2, 2026.

**Other Resources.**

Fiscal Year-end Close Calendar:

<https://finance.uw.edu/uco/financial-reporting/fiscal-year-end-close>

Procurement Fiscal Year End Deadlines:

<https://finance.uw.edu/ps/tools-reconciling/fiscal-year-end>

