

Accrued Liability Process

TNECD FISCAL YEAR-END FY24

Overview

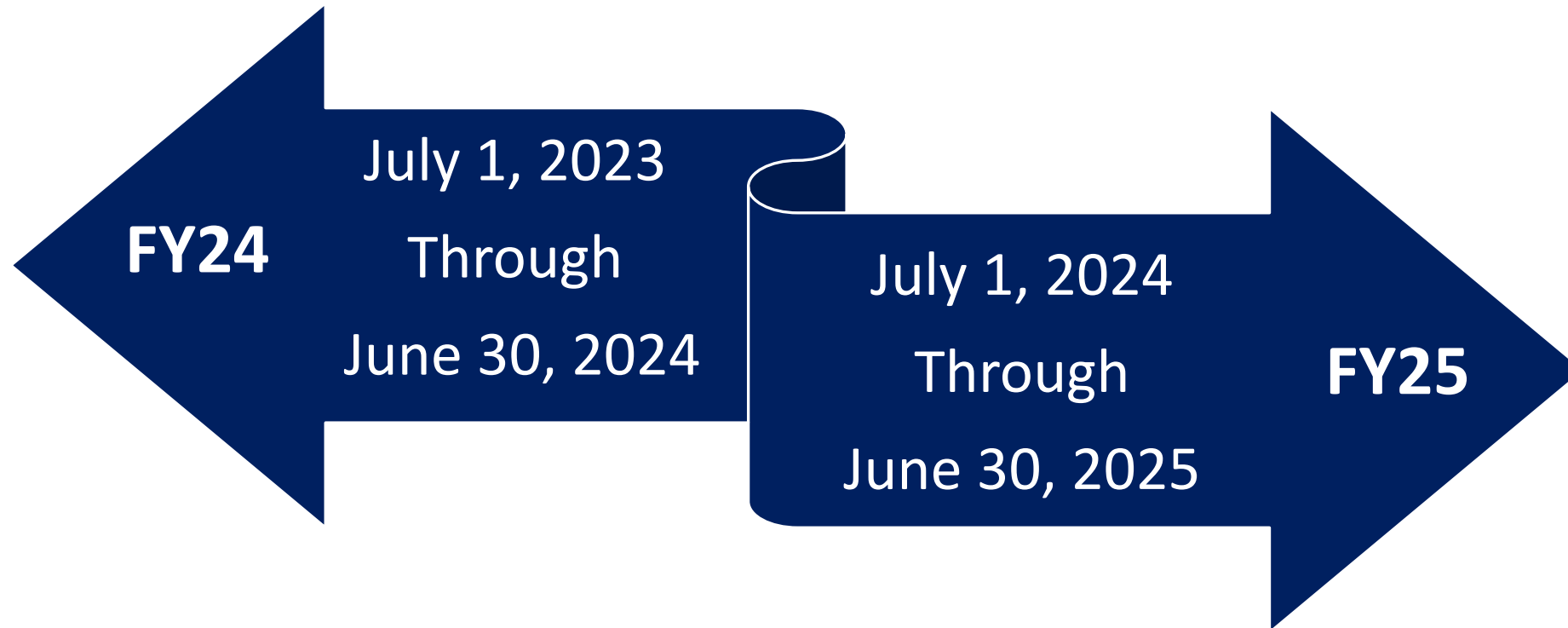


Each June TNECD prepares for the fiscal year-end closing process. Part of this process requires the collection of accrued liabilities from Grantees for each open grant contract. We must ask for this information to ensure expenses are recorded in the proper fiscal year in our accounting system.



Accrued Liability - An expense that was incurred by the grantee in one fiscal year, but not requested for reimbursement until another fiscal year. These are only recorded at the end of each fiscal year. The possibility of having an accrued liability must be considered for each open contract.

Identifying State Fiscal Years



Identifying Incurred Costs

If you answered “Yes” to either question, then you have accrued liabilities that need to be reported or requested for reimbursement.

Have any services been performed for the grant project (6/30/24 and prior) that you will need to request reimbursement for?

OR

Have any items been purchased or ordered for the grant project (6/30/24 and prior) that you will need to request reimbursement for? For items ordered, will you receive an invoice from the vendor with an invoice date of 6/30/24 and prior?

Identifying Next Steps

There are two options for reporting accrued liabilities. Please choose the **ONE** option that works best for the documentation you have at fiscal year-end.

1. Submit a reimbursement request for all incurred costs through June 30th, 2024

Choose this option if:

- You have received vendor invoices for **all** incurred costs through June 30th
- You can submit a completed reimbursement request to TNECD by July 1st

2. Submit an accrued liability amount for all incurred costs through June 30th, 2024

Choose this option if:


- You do not have all supporting documentation needed to submit a completed reimbursement request by July 1st
- Based on program guidelines you cannot submit a reimbursement request (This will apply to HDGP & potentially Broadband)

Calculating Your Accrued Liability


If you have decided to submit an amount and not a reimbursement request, please be sure it only represents the grant amount and not the total cost of the incurred expenses.

This should be the total amount of grant expenses incurred through June 30th, but not yet requested for reimbursement through TNECD	These percentages are found on your most recent invoice template. The percentages combined should equal 100%		This is the amount that needs to be reported to TNECD (Total Expenses x Percentages of Grant Funds = AL Amount) (\$5,000 x .75 = \$3,750)
Total Grant Expenses through June 30th	% Grantee Participation	% Grant Funds	Accrued Liability Amount
\$5,000.00	25.00%	75.00%	\$3,750.00


Incurring costs don't have to be paid for by June 30th, just completed (services) or invoiced (items purchased)



If TNECD has already reimbursed a grant expense, it does not need to be reported during the accrued liability process

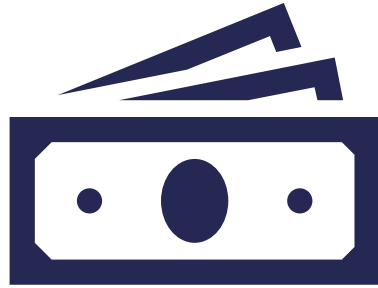


Do NOT submit an invoice **and** an accrued liability amount. Please choose the option that works best for the documentation you have at fiscal year-end



We will not accept reimbursement requests that cross fiscal years. If you are submitting a request after July 1st, please be sure to split expenses that occur in different fiscal years into separate requests.

Important Reminders



**July 1st – Reimbursement Requests
Due**



**July 12th - Accrued Liability
Amounts Due**

FY24 Deadlines