

**University of Wisconsin System  
SFS Accounting Manual**

<b>Category: General Ledger</b>		<b>Effective Date: Updated Annually</b>	
<b>Task or Process: Fiscal year transition policy/procedures for Funds 980 &amp; 997</b>		Revision Date: March 2019	
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**Policy**

**Move Fund 980 Employer/State Share of Life premium payments to establish pre-paid balances**

When the payment to Employee Trust Funds (ETF) is made mid-June of each year, the State Group Life premium payments are made as a charge to 980 in Account 7223 related to the payrolls processed in June. The Life fringe expense from those payrolls must be charged to the new fiscal year because the accounting period that is covered by those payments falls in the new fiscal year. Thus, the balance in 980 must be moved from a “payable” code to the “pre-paid” Account code 6444 in the current year. We do not have to establish any "pre-paid" balance amounts for Fund 997.

Note: State Group Life is paid one month in advance. Service Center staff determines the correct advance payment and processes the transfer. No transfer is needed for State Group Health premiums, which are now paid in the month that they apply to, rather than one month ahead.

In the new fiscal year, the 980 “pre-paid” balance needs to be cleared, and the 980 “payable” balance needs to be re-established so that it will offset the “deferred payable” that are included in the Life fringe journals that originated from the June payrolls. Thus, the journal processed for Period 13 in the current fiscal year must be reversed in the new fiscal year.

**Procedures**

- At the end of each fiscal year Service Center staff must process a Period 13 journal (journal date July 1) moving the State Group Life payment code 7223 balance to the appropriate “pre-paid” balance sheet code. Use source code INT and include cash offsets.

- Sample journal moving balance from the payable to prepaid code:

Unit	Fund	Dept	Program	Account	Journal ID	Line Descr	Period	Payable to Prepaid Amount	Source	Ledger
UWDPD	980	980980	1	7223	JRPREPAYHL	Life Insurance Payable-State	13	(330,577.88)	INT	ACTUALS
UWDPD	980	980980	1	6444	JRPREPAYHL	Prepaid Life	13	330,577.88	INT	ACTUALS
UWDPD	980	980980	1	6100	JRPREPAYHL	Cash	13	330,577.88	INT	ACTUALS
UWDPD	980	980980	1	6100	JRPREPAYHL	Cash	13	(330,577.88)	INT	ACTUALS

- In the new fiscal year, Service Center staff must process a new fiscal year transfer to reverse the Period 13 journal. Use source code INT and include cash offsets.
- Can use July 2 as the journal date for the reversing journal in the new fiscal year.