

# CONTROLLER'S UNIT BUSINESS PROCESS FORUM

## PREPAID EXPENSE POLICY

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February 12, 2025



**Oregon State**  
University

# Agenda

- ✓ Background
- ✓ Key Policy Provisions
- ✓ General Process
- ✓ Timeline & Next Steps
- ✓ Questions



# Background



- ✓ Where are we in the process?
- ✓ Past practices have historically been oriented to financial reporting
- ✓ New policy includes two primary objectives:
  - ✓ Financial reporting, and
  - ✓ Budget monitoring (new)
- ✓ Accruals and amortizations will be required throughout the fiscal year
- ✓ The new policy changes the definition of prepaid transactions

# Key Policy Provisions

- ✓ Transactions \$10,000 and greater must be accrued and amortized
- ✓ Transactions less than \$10,000 may be accrued and amortized based on budget authority discretion
- ✓ Prepaid assets must be amortized to expense no less than quarterly over their service life
- ✓ Asset balances and amortized expenses must be reconciled no less than quarterly
- ✓ Only prepaid expenses applicable to a sponsored awards performance period can be applied to the sponsored award



# General Process



- ✓ Accounts Payable (AP) will identify all prepaid transactions \$10,000 or more and post them to a central log
- ✓ The Accounting Service Center, FSS, and other units will access the log and:
  - ✓ Scrub for missing transactions
  - ✓ Process JVs to record Prepaid assets
  - ✓ Process JVs to record amortized expense
  - ✓ Reconcile prepaid assets and expense
  - ✓ Maintain supporting documentation

# Timeline and Next Steps

- ✓ The policy will be effective as of July 1, 2025 (FY26)
- ✓ An Implementation Team has been formed that includes:
  - ✓ Accounting Service Center: Courtney Seton, Charles Hoss
  - ✓ Financial Strategic Services: Fuad Alemad
  - ✓ Research and Innovation: Sandy Cobb, Yanli Zhang
  - ✓ Procurement and Contracts: Tamara Bradshaw
  - ✓ Accounts Payable: Shani Hernandez
  - ✓ Financial Accounting and Reporting: Mark Fryman, Charlotte Rooks
- ✓ The team's mission is to operationalize the policy and develop the necessary unit processes and workflow



# QUESTIONS?

