

## **Year-end Accruals & Reconciliation**

**February 3<sup>rd</sup>, 2022**

### **Q&A**

**Q #1.**

Last year, Health Canada flowed some money in April, which was intended for the prior year – I didn't set it up as a receivable just because we received it after year end but if I did set it up, I would have just had to defer it, which didn't make sense. So, are you saying that's what we should be doing in setting it up anyway, even if we have to defer?

**A #1.**

The way government works, is they must show that their spending through the year happened. So, if the money belongs to March 31<sup>st</sup> but didn't get sent until April, then yes, it will have to be set up as a receivable on March 31<sup>st</sup> as revenue and deferred.

**Q#2.**

What about accruals for vacation and vacation credits in payroll?

**A #2.**

Many organizations allow their employees to carry forward vacation if the policy allows. Technically we owe vacation money to employees, so it's important we track the vacation and figure out how much is owed and multiply by their pay rate. Which then becomes a payable, which is a good thing, especially if you're looking for more expenses in programs.