



Year-end Purchasing

Purpose

This policy establishes rules and regulations that apply to Procurement and Business Services year-end processing of transactions.

Persons Affected

This policy applies to all university employees.

Definitions

None.

Policy

The state fiscal year is September 1 through August 31 and the following rules and regulations apply to year-end transaction processing.

Procedures

- A. Consumables/expendable supply items are to be charged to the fiscal year in which they are delivered. The cost of consumable supplies ordered in one fiscal year and delivered in the next fiscal year may be charged to the prior year only if the following conditions exist:
 1. delay causing delivery in the later fiscal period was beyond the university's reasonable control;
 2. delivery could have reasonably been expected to occur during the fiscal year in which the order was placed; and
 3. the quantity ordered could have been consumed during the fiscal year in which it was ordered had delivery occurred as originally anticipated.
- a. Services are to be charged to the fiscal year in which they are provided.
- b. Capital equipment purchases (non-consumable with a useful life of more than one year) are to be charged to the fiscal year in which they are ordered, except that capital purchases may be charged to the year of delivery as long as the appropriation for the year in which delivery will occur exists, (General Appropriations Act has been signed by the governor) and payment is not made prior to September 1 of the new fiscal year. Payments under a lease-purchase agreement are to be charged to the fiscal year in which the payment is made.
- c. Subscriptions, maintenance contracts, post office box rentals, insurance, internet connections and surety or honesty bonds are chargeable to the fiscal year in which they



begin and may be paid in full from that fiscal year regardless of whether the purchase covers more than one fiscal year. This rule supersedes other rules relating to consumable items, services, or capital equipment.

- d. Seminar and conference expenses related to conducting or attending the same are to be paid from the fiscal year in which the seminar or conference occurs, unless it is determined to be cost-effective to use current fiscal year funds to pay for conducting or attending a seminar or conference that will occur partly or entirely during a different fiscal year. This rule supersedes other rules relating to consumable items, services, or capital equipment.
- e. Utility services are to be charged to the fiscal year in which the service is provided except that a prior fiscal year may be used to pay for September services of the next fiscal year. This rule supersedes other rules relating to consumable items, services, or capital equipment.
- f. A combined purchase of at least two consumable items, services and capital assets should follow the year-end rules according to the dominant purpose of the contract.
- g. A purchase option that is contractually exercised to purchase a consumable item, service, or capital equipment should follow the year-end rules according to the good or service for which the option is exercised.

B. Department Notification

The purchasing department establishes and notifies departments of deadlines for receipt of approved requisitions for the current fiscal year to comply with state guidelines and allow adequate order processing time for current year orders.

Requisitions received prior to the established deadline dates will be processed on current fiscal year funds unless properly identified as a next fiscal year requisition following the instructions provided by Procurement and Property Services. Requisitions received after the established deadline dates will be processed on next fiscal year funds.

C. Exceptions

Exceptions to the established deadline dates will be made if necessary to comply with year-end guidelines established by the state comptroller or for emergency reasons. The director of procurement may use discretion in the best interest of the university when applying or exempting the established deadlines or above rules when using non-appropriated funds.

Related Statutes or Regulations, Rules, Policies, or Standards

34 Tex. Admin. Code § 5.56

Texas State Comptroller eXpendit website



Responsible Executive

Vice President for Finance and Administration

Forms

None

Revision History

September 1, 2023 (original)