



Controller's Office
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DATE: June 27, 2011

FROM: Controller's Office

RE: Classification of Procurement Card Expenses **and** Miscellaneous Income and Expense Transactions

As the fiscal year end approaches, The Controller's Office asks for assistance in ensuring proper classification of income and expenses. Proper classification of income and expenses ensures the college's financial statements accurately report the financial position of the college.

Procurement Card Expenses

The Banner online procurement charge reallocation form, FAAINVT, should be used to classify procurement card charges. This form allows the authorized person to allocate procurement card charges before the amount is posted to Banner. There is a **5 day window** after the purchase has been made in which to allocate procurement charges using this method. For further information regarding this process see <http://www.smith.edu/purchasing/pcard.php>.

If the 5 day window has passed, please review procurement card expenses and if necessary reclassify to an account that best describes the expense. For example, if your department purchases bottled water, rather than posting the expense to Supplies- Office (71501), the expense should be charged to Supplies-Bottled Water (71733). There are over 900 expense accounts to choose from; if you don't see an account that would best describe the expense call the Controller's Office to discuss adding it to the list of options. Remember you don't need to have a budget line item to classify an expense. Use the following link to access the form, please review the instruction tab for procedures. http://www.smith.edu/controller/Electronic_Journal.xls

Miscellaneous Income (58838) and Expense (77777)

Please review these two accounts and ensure all transactions are reclassified to proper accounts. Although the responsibility is with individual departments, The Controller's Office will review these accounts at the fiscal year end to process any remaining transactions deemed more appropriate in another account.

Process all reclassifications promptly using the electronic journal form process. Use the following link to access the form, please review the instruction tab for procedures. http://www.smith.edu/controller/Electronic_Journal.xls

Thank you.