Accrued Liability Process

TNECD FISCAL YEAR-END FY22 – HISTORIC DEVELOPMENT GRANT
Overview

Each June TNECD prepares for the fiscal year-end closing process. Part of this process requires the collection of accrued liabilities from Grantees for each open grant contract. We must ask for this information to ensure expenses are recorded in the proper fiscal year in our accounting system.

Accrued Liability - An expense that was incurred by the grantee in one fiscal year, but not requested for reimbursement until another fiscal year. These are only recorded at the end of each fiscal year. The possibility of having an accrued liability must be considered for each open contract.
Identifying State Fiscal Years

FY22

July 1, 2021
Through
June 30, 2022

FY23

July 1, 2022
Through
June 30, 2023
Identifying Incurred Costs

If you answered “Yes” to either question, then you have accrued liabilities that need to be reported or requested for reimbursement.

Have any services been performed for the grant project (6/30/22 and prior) that you will need to request reimbursement for?

OR

Have any items been purchased or ordered for the grant project (6/30/22 and prior) that you will need to request reimbursement for? For items ordered, will you receive an invoice from the vendor with an invoice date of 6/30/22 and prior?
1. Submit an accrued liability amount for all incurred costs through June 30th, 2022 by July 8th.

Choose this option if:

- You do not have all supporting documentation needed to submit a completed reimbursement request and closeout the grant project by July 5th
- The amount incurred on the grant project is $0.00 (Still needs to be reported to the Program Director)
Calculating Your Accrued Liability

If you have decided to submit an amount and not a reimbursement request, please be sure it only represents the grant amount and not the total cost of the incurred expenses.

<table>
<thead>
<tr>
<th>Total Grant Expenses through June 30, 2022</th>
<th>% Grantee Participation</th>
<th>% Grant Funds</th>
<th>Accrued Liability Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000.00</td>
<td>25.00%</td>
<td>75.00%</td>
<td>$3,750.00</td>
</tr>
</tbody>
</table>

This should be the total amount of grant expenses incurred through June 30th, 2022, but not yet requested for reimbursement from TNECD.

These percentages are found on your most recent invoice template. The percentages combined should equal 100%.

This is the amount that needs to be reported to TNECD:
(Total Expenses × Percentage of Grant Funds = AL Amount)
($5,000 × .75 = $3,750)
Important Reminders

Incurred costs don’t have to be paid for by June 30th, just completed (services) or invoiced (items purchased) by the vendor.

HDGP grantees should not be submitting reimbursement requests in lieu of an accrued liability amount, unless they have cleared it with the Program Director.

Do not submit an amount that includes expenses that will not be billed to the grant project.

Even if the accrued liability amount is $0.00, it still needs to be reported to the Program Director.
July 8th - Accrued Liability Amounts Due
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