

Lifecycle of a Y1 Reversing Entry

Example: Lapse Period Expense Accrual

An FY25 expense paid during the FY26 lapse period (Period 1 or 2, between July 1 and August 15) should be recorded using standard general ledger accounts. The fiscal year used for the entry is FY26, while the budget period remains 2025-A2.

| Magic Document Info | | | | | |
|---------------------|------------------------|--|---------------|--------|---|
| Fiscal Year Used | Document Date | Posting Date | Budget Period | Period | GL Used |
| 2026 | Varies up to 8/15/2025 | Date Posted between (7/1/2025-8/15/2025) | 2025-A2 | 1 or 2 | general ledger types used for standard transactions |

FY25 Expense paid during FY 26 Lapse Period FY 26 GR55 ZBL1 to Period 2

| | Debit | Credit |
|---|-------|--------|
| 20200000 Accounts Payable | | -1,150 |
| 20200001 Accounts Payable Adjustments | | |
| * Accounts Payable | | |
| 60300000 Travel - GAAP | | |
| 60404000 In State Rented Vehicle | 350 | |
| * Travel | | |
| 61000000 Contractual Services - GAAP | | |
| 61818000 Cellular Usage Time - Outside Vendor | 200 | |
| * Contractual Services | | |
| 62000000 Commodities - GAAP | | |
| 62050000 Fuel | 600 | |
| * Commodities | | |

FY25 GAAP Entry from Lapse Report FY 25 GR55 ZBL3 to Period 13

| | Debit | Credit |
|---------------------------------------|--------|-----------|
| 20200001 Accounts Payable Adjustments | | -1,150.00 |
| * Accounts Payable | | |
| 60300000 Travel - GAAP | 350.00 | |
| * Travel | | |
| 61000000 Contractual Services - GAAP | 200.00 | |
| * Contractual Services | | |
| 62000000 Commodities - GAAP | 600.00 | |
| * Commodities | | |

After the lapse period closes on August 15, run the lapse reports. Based on these reports, create your GAAP entry for FY25 using the GAAP general ledger accounts that correspond to the original accounts. All GAAP entries from the lapse reports should be Y1 reversing entries, recorded with Fiscal Year 2025. The document and posting dates should be 6/30/2025, and Period 13. This entry ensures the expense is reflected in FY25. To review the impact on your trial balance, run a GR55 ZBL3 report for Period 13.

| Magic Document Info | | | | | | |
|---------------------|---------------|--------------|---------------|--------|----------|-------------------|
| Fiscal Year Used | Document Date | Posting Date | Budget Period | Period | GL Used | Assignment Number |
| 2025 | 6/30/2025 | 6/30/2025 | 2025-A2 | 13 | GAAP GLs | AGYGAAP |

During FY26, the Y1 reversing entry for FY25 will be reversed by OFR. This reversal removes the expense from FY26. Although both the original and reversing entries will appear in your trial balance, the net impact on FY26 will be zero.

FY26 after Y1 Reversing Entries FY26 GR55 ZBL1 to Period 12 ***Red is the reversing entry**

| | Debit | Credit |
|---|-------|--------|
| 20200000 Accounts Payable | | -1,150 |
| 20200001 Accounts Payable Adjustments | 1,150 | |
| * Accounts Payable | | |
| 60300000 Travel - GAAP | | -350 |
| 60404000 In State Rented Vehicle | 350 | |
| * Travel | | |
| 61000000 Contractual Services - GAAP | | -200 |
| 61818000 Cellular Usage Time - Outside Vendor | 200 | |
| * Contractual Services | | |
| 62000000 Commodities - GAAP | | -600 |
| 62050000 Fuel | 600 | |
| * Commodities | | |