FAMIS PROCEDURES MANUAL

VOLUME I - USERS MANUAL

CHAPTER V

TRANSACTION CODING
This chapter discusses transaction coding in the context of the accounting environment. The primary focus is on describing the underlying accounting events which FAMIS transactions record. Emphasis is placed on defining terms associated with the accounting event and the purpose of recording it. Most accounting events are presented in the chronological sequence in which they normally occur and any interrelationships between transactions are highlighted. The debit-credit accounting treatments are also presented to clarify the State's accounting policy for a particular accounting event. Finally, any special considerations associated with a set of accounting treatments are discussed.

As stated previously, this chapter focuses on the accounting environment and underlying accounting events. Other documentation also provides support for transaction coding as well. Of particular importance are the following documents:

- Transaction Illustrations. The Transaction Illustrations contained in Appendix A describe the accounting event, input form and specific input requirements for every transaction code.

- T-Account Analysis. The T-Account Analysis exhibits contained in Appendix B illustrate related accounting treatments in a format that readily indicates the accounting impact of various transactions.

- Input Forms. Chapter VI presents all the input forms and shows which fields are used for particular input elements.

The above documentation is referenced as appropriate in the following sections to supplement a better understanding of transaction coding.

**APPROPRIATIONS**

Appropriations represent the legal expenditure ceiling for a specific purpose and time period. They are budgetary amounts that have no accounting relation to cash or any other account which is reportable on the financial statement of financial condition. This section presents the entries to establish the appropriations and to record subsequent restrictions and lapses.

V-1
General Fund, Bond Fund and Special Fund appropriations are enacted by the State Legislature and are usually recorded as enacted at the beginning of the fiscal year. This entry is recorded by transaction code 411:

**TC 411 To Record Appropriations Enacted By The Legislature**

- **DR 640 Budgetary Fund Balance**
- **CR 655 Appropriations**

This transaction may be reversed by transaction code 412 which records the opposite treatment of transaction code 411.

General Fund and Special Fund appropriations are usually recorded in FAMIS through the DB&F interface. Bond Fund appropriations are usually recorded by a manually prepared Appropriation Warrant. Revolving Funds in the Special Funds and Trust Funds are generally the types of accounts that are not appropriated.

After the establishment of the appropriations, they may be restricted for administrative purposes as determined by the Director of Finance. This entry is recorded by transaction code 431:

**TC 431 To Record The Administrative Restriction of Appropriations**

- **DR 660 Restricted Appropriations**
- **CR 661 Restricted Appropriations Contra**

This entry may be reversed by transaction code 432 which records the opposite treatment of transaction code 431.

Appropriations may be lapsed in order to terminate the remaining balance after a certain period of time has elapsed or after the purpose of an appropriation has been fulfilled. The monthly, quarterly and annual closing processes are performed automatically for most appropriation accounts, based on two key indicators contained in the Appropriation Symbol Table. The indicators are the Appropriation Type and Reversion Indicator. The entry generated by the system to lapse appropriations is transaction code 491:
To Record the Lapsing of Appropriations

DR 680 Lapsed Appropriations
CR 681 Lapsed Appropriations Contra

Although this transaction is generated by the system, it can be entered by Journal Voucher if circumstances require an early lapsing of an appropriation.

ESTIMATED REVENUES

Estimated revenues are the amount of revenues estimated to be collected within a fiscal period to finance the State's operations. This section presents the entries to record the estimated receipts and to record subsequent decreases and increases.

Estimated receipts are entered into the State's receipts ledger file by the DB&F Interface. This entry is recorded by transaction code 942:

TC 942 To Record Estimated Receipts Including Estimated Revenues And Estimated Non-Revenues

DR 645 Estimated Revenues/Non-Revenues
CR 640 Budgetary Fund Balance

Subsequent decreases and increases to transaction code 942 are recorded by transaction codes 943 and 945:

TC 943 To Record Revisions To Decrease Estimated Revenues and Estimated Non-Revenues

DR 640 Budgetary Fund Balance
CR 646 Estimated Revenues/Non-Revenues Adjustments

TC 945 To Record Revisions to Increase Estimated Revenues and Estimated Non-Revenues

DR 646 Estimated Revenues/Non-Revenues Adjustment
CR 640 Budgetary Fund Balance

Manual adjustments to Estimated Revenues can be booked using the Estimated Receipts form.

ESTIMATED APPROPRIATIONS

Estimated Appropriations are budgets established for specific revenue sources that are legally restricted to expenditure for specified purposes.
They are usually related to Special Revenue Fund accounts. This section presents the entries to establish the Estimated Appropriations and to record subsequent decreases.

Special revenue appropriations authorized by the State Legislature are recorded at the beginning of the year by the DB&F interface. This entry is recorded by transaction code 941:

TC 941  To Record Estimated Appropriations for Funds Which Have Appropriated Receipts

   DR 651 Estimated Appropriations Contra
   CR 650 Estimated Appropriations

   DR 640 BFB
   CR 655 Appropriations

Subsequent adjustments decreasing the Estimated Appropriations are recorded by transaction code 944:

TC 944  To Record Revision To Decrease Estimated Appropriations For Special Revenue Funds

   DR 650 Estimated Appropriations
   CR 651 Estimated Appropriations Contra

   DR 655 Appropriations
   CR 640 BFB

It should be noted that these Estimated Appropriations cannot fund expenditures. Rather, they are accompanied by a regular appropriation credit which funds expenditures. The primary use of the Estimated Appropriation Balance is as a comparison budget figure to actual receipts. The resulting variances are reported in the budgetary section of the financial statements.

**Allotments**

Allotments are the administrative expenditure ceiling for a particular purpose usually within a quarterly period. This section presents the entries to establish and increase the allotments as well as to record subsequent decreases, restrictions and reversions.
Allotments are recorded with different transaction codes and general ledger accounts for the first through fourth quarters. The initial quarterly allotments and subsequent increases are recorded by transaction codes 511, 512, 513 and 514 based on the approved Request for Allotment form (A-19):

**TCs 511, 512, 513 and 514 To Record Quarterly Allotment Increases**

**DR** 720 Allotment Contra
**CR** XXX Allotments (Various) Quarter

Subsequent decreases are recorded by transaction codes 515, 516, 517 and 518 per the approved Request for Allotment forms (A-19):

**TCs 515, 516, 517 and 518 To Record Quarterly Allotment Decreases**

**DR** XXX Allotments (Various) Quarter
**CR** 720 Allotment Contra

In addition to the quarterly allotments, there are also allotments which are not of limited quarterly duration. These allotments are referred to as "other" allotments. They are usually used for capital rather than operating programs. Other allotments and subsequent increases are recorded by transaction code 531 per the approved Allotment Advice forms:

**TC 531 To Record Other Allotments Increase**

**DR** 720 Allotment Contra
**CR** 695 Other Allotments

Subsequent decreases to other allotments are recorded by transaction code 532 per the approved Allotment Advice forms.

**TC 532 To Record Other Allotments Decreases**

**DR** 695 Other Allotments
**CR** 720 Allotment Contra

Unlike A-19 Quarterly Allotments, adjustments to Other Allotments recorded on the Allotment Advice form do not require an accompanying Journal Voucher entry.
Allotments of federal and other funds augment State appropriations and are recorded by Journal Vouchers using transaction code 571:

**TC 571** To Record The Allotment Of Federal And Other Funds Not Allotted On Approved Request For Allotment And Allotment Advice Forms

- **DR** 720 Allotment Contra
- **CR** 695 Other Allotments

It should be noted that the use of TC 571 is very limited as most federal funds are allotted with the standard allotments discussed previously.

After the establishment of any type of allotment, they may be restricted for administrative purposes as determined by the Director of Finance or the Department head. This entry is recorded by transaction code 543:

**TC 543** To Record Restricted Allotment Increase

- **DR** 700 Allotment Restrictions
- **CR** 720 Allotment Contra

Subsequent decreases are recorded by transaction code 544:

**TC 544** To Record Restricted Allotment Decreases

- **DR** 720 Allotment Contra
- **CR** 700 Allotment Restrictions

At the end of a specific period, allotments are usually reverted. The reversion entry has the effect of returning unrequired balances of unencumbered allotments to the appropriation from which the allotments were made. The reversion entry is recorded by transaction code 591:

**TC 591** To Record Reversion Of Allotments, Quarterly And Others

- **DR** 715 Allotment Revisions
- **CR** 720 Allotment Contra

For most accounts, this entry will be generated automatically by FAMIS. Allotment reversions can be reversed by TC 593--Reversal of Allotment Reversions.
CLAIMS ENCUMBRANCES

Claims encumbrances are charges against allotted funds. These charges generally represent obligations for goods or services ordered by the State. There are three major types of claims encumbrances. They are:

- Standard Claims Encumbrance;
- Blanket Encumbrances; and
- Lump Sum Encumbrances.

Each of these encumbrances are briefly described below.

Standard Claims Encumbrances

Standard claims encumbrances are recorded based upon a purchase order which has been issued requesting goods or services from a vendor. Claims encumbrances are recorded by transaction code 621:

TC 621  To Record Claims Encumbrances

DR  750  Claims Encumbrances
CR  730  Reserve for Encumbrances

This encumbrance entry effectively restricts allotted funds from being expended for purposes other than those for which it was established. Upon receipt of the ordered goods or services, the claims encumbrance is liquidated by transaction code 241:

TC 241  Record Payments Against Claims Encumbrances

DR  850  Expenditures
CR  350  Audited Claims Payable

DR  730  Reserve for Encumbrances
CR  750  Claims Encumbrances

The coding of payments against claims encumbrances is somewhat easier than some other types of payments because the system looks up much of the necessary data. Based upon the Department Code and Purchase Order Number and Suffix, the system looks up the accounting classification associated with a particular encumbrance. Such information includes: Fund, Fiscal Year,
Appropriation Account; Vendor Name, Number and Suffix; Allotment Category; Object Code; Department Activity; Cost Center; and Project. At time of payment, some of this looked up information may be changed by coding the appropriate classification data element on the expenditure transaction and other information may not be changed.

Information which may not be changed at time of payment includes:

- Department Code; and
- Fiscal Year of Appropriation Symbol.

Attempts to change the above items at time of payment will result in a fatal error.

Some information is subject to conditional change. That is, sometimes the information may be changed and other times it may not be changed.

Conditional data elements are:

- Fund;
- Appropriation Account;
- Allotment Category;
- Vendor Name; and
- Vendor Number.

The conditions under which these data elements may or may not be changed are based on whether the allotment funding the encumbrance is a Quarterly Allotment or an Other Allotment. If the Allotment is a Quarterly Allotment, changes at time of payment are accepted as long as the payment takes place in the same quarter as the encumbrance was established. On the other hand, if the allotment is an Other Allotment, changes are accepted as long as the payment takes place before the lapse date of the related Appropriation.

Finally, some information may always be changed at time of payment. Data elements which may be changed unconditionally are:

- Major and Minor Object (as long as the major object continues to reference the same allotment category as the encumbrance);
• Cost Center;
• Department Activity;
• Project and Phase; and
• Vendor Suffix.

The unconditional elements include all optional departmental classification elements plus the Vendor Suffix which identifies the vendor address.

When the payment is for a partial delivery of goods or services, a modifier code of 'P' is encoded on the payment voucher. In such instances, the claims encumbrance is liquidated for an amount equal to the lesser of the payment amount or the remaining encumbrance (document) amount. On the other hand, final payment transactions are encoded with a modifier code of 'F'. When the 'F' code is used, the claims encumbrance is liquidated for an amount equal to the remaining encumbrance amount. The modifiers 'P' and 'F' apply only on a Purchase Order Number and Suffix basis. Therefore, an 'F' code applied against one line of a Purchase Order Encumbrance will not close other lines on the same Purchase Order.

Claims encumbrance amounts may be modified by adjustment transactions. Transaction code 622 increases previously established claims encumbrances, while transaction code 661 decreases them, as follows:

**TC 622 Increase In Previously Encumbered Claims**

- **DR** 750 Claims Encumbrances
- **CR** 730 Reserve For Encumbrances

**TC 661 Decrease In Previously Encumbered Claims**

- **DR** 730 Reserve For Encumbrances
- **CR** 750 Claims Encumbrances

Each of these modifying transactions require that the Purchase Order number be encoded in the Reference Document Number field. With the Purchase Order Number in the Reference Document Number field, the system is able to identify the unique claims encumbrance to be adjusted. Although the Purchase
Order Suffix is not required, it must be input if present. Otherwise, the system will not be able to locate the specific line to be adjusted and the adjustment transaction will fail with a fatal error. The accounting classification data elements used to post the encumbrance adjustment must be exactly the same as those used to record the original encumbrance.

Blanket Encumbrances

Blanket encumbrances are encumbrances in which the vendor is unknown, or the number of vendors/payees is so great as to make the establishment of individual claims encumbrances impractical. Two types of blanket encumbrances are allowed. One is the encumbrance established for accrued payroll expense at the end of the fiscal year and the other is unfinished CIP encumbrances at the lapse date. The transaction code to record blanket encumbrances is 623:

TC 623 Record Blanket Encumbrance

DR 750 Claims Encumbrances
    CR 730 Reserve For Encumbrances

The primary difference between this transaction and other encumbrance transaction codes is that blanket encumbrances do not require a Vendor Code on input and, therefore, do not update the Vendor File. The only payments which are allowed against blanket encumbrances are payroll charges and CIP payments. These are recorded from the payroll interface by transaction code 808 and transaction code 244.

TC 244 To Record Payment Against Blanket Encumbrances

DR 850 Expenditures
    CR 350 Audited Claims Payable

DR 730 Reserve for Encumbrances
    CR 750 Claims Encumbrances

TC 808 To Record Payroll Expenditures From the Payroll Subsystem Related To Encumbrances

DR 850 Expenditures
    CR 994 Payroll Clearing
DR 730 Reserve for Encumbrances  
CR 750 Claims Encumbrances

As a general rule, once the vendor is known, the blanket encumbrance should be decreased by transaction code 603 and re-established as a standard claims encumbrance with transaction code 621. Payments can then be more easily made against the claims encumbrance because the specific vendor has been identified.

Lump Sum Encumbrances

Lump sum encumbrances are amounts encumbered and carried forward to FAMIS as of June 30th, 1983 which do not have detail support on the Document File. Transaction code 305 records lump sum encumbrances:

TC 305 To Record Lump Sum Encumbrances

DR 750 Claims Encumbrances  
CR 730 Reserve for Encumbrances

The general ledger treatment for lump sum encumbrances is the same as the treatment for claims encumbrances. However, lump sum encumbrances are not tracked at the document level in FAMIS, nor are they identified with a specific vendor. Additionally, a special transaction code has been established to record expenditures against lump sum encumbrances:

TC 242 Expenditures Against Lump Sum Encumbrances

DR 850 Expenditures  
CR 350 Audited Claims Payable

DR 730 Reserve for Encumbrances  
CR 750 Claims Encumbrances

The expenditure transaction differs from other expenditures previously encumbered transactions in that it requires complete coding of all classification and vendor data on input. Further, the encumbrance liquidation amount always equals the expenditure amount. Transaction codes 305 and 242 will only be used during the initial period of new system operations. Any
outstanding Lump Sum Encumbrances as of 6/30/84 must either be liquidated, cancelled or converted to specific purchase order encumbrances.

**CONTRACT ENCUMBRANCES**

Contract encumbrances are charges against allotted funds. These charges generally represent obligations for goods or services ordered by the State which are evidenced by a formal contract. This section presents the entries to record contract encumbrances, subsequent increases and decreases to contracts, contract payments, and contract retainages.

**Contract Encumbrance Establishment**

The contract ledger table record must be established prior to recording the encumbrances. The establishment of the contract ledger file record is a table maintenance function performed by central accounting personnel. The initial contract encumbrance is recorded by transaction code 631:

**TC 631 To Record Contract Encumbrances**

<table>
<thead>
<tr>
<th>DR</th>
<th>735 Contract Encumbrances</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>730 Reserve for Encumbrances</td>
</tr>
</tbody>
</table>

This transaction is also used throughout the year to record increases in previously encumbered contracts for additional funding sources. The contract suffix identifies the various appropriation symbols which fund a single contract. However, transaction code 631 cannot be used to increase an existing contract and contract suffix. The increase of existing contract and contract suffix amounts is discussed in the next section. The accounting classification data coded on transaction code 631 must match the classification data entered in the contract ledger table.
Subsequent Increases and Decreases

Previously encumbered contract numbers and contract suffixes may be increased or decreased. These entries are recorded by transaction codes 632 and 651:

**TC 632** To Record An Increase In Previously Encumbered Contracts

| DR | 735 Contract Encumbrances |
| CR | 730 Reserve for Encumbrances |

**TC 651** To Record A Decrease In Previously Encumbered Contracts

| DR | 730 Reserve for Encumbrances |
| CR | 735 Contract Encumbrances |

It should be noted that these increase and decrease entries do not require the input of accounting classification data. This is because the classification data is looked up from the Contract File based on the Department Code, Contract Number and Suffix (Reference Document Number and Suffix).

Contract Payments

Contract encumbrances are liquidated according to the payment terms specified in the contract. This entry is recorded by transaction code 231:

**TC 231** To Record Payments Against Contract Encumbrances

| DR | 730 Reserve for Encumbrances |
| CR | 735 Contract Encumbrances |

| DR | 850 Expenditures Costs/Non-Costs |
| CR | 350 Audited Claims Payable |

The coding of payments against contract encumbrances is similar to claims encumbrance payment coding because the system looks up much of the necessary data. Based upon the Contract Number and Suffix along with Department Code, the system looks up the accounting classification associated with a particular encumbrance. Such information includes: fund, year, appropriation account, department, object, cost center, project, project phase and department activity. The coding of the contract payment number or payment month in the Optional Remittance Data field is required.
Contract expenditures by other governmental units and private organizations of funds not in the State Treasury are recorded using Journal Vouchers by transaction code 929:

TC 929  To Record Expenditures Of Non-State Funds Against Contracts

DR 735 Contract Encumbrances
    CR 735 Contract Encumbrances

Two examples of transaction code 929 are: to record the matching share of contract expenditures made by the counties directly to the contractor; and to record the matching share of contract expenditures made by the federal government directly to the contractor. This transaction updates the Contract File and Vendor File but does not result in the issuance of warrants. Also, it should be noted that this transaction does not result in any update that is reportable on the financial statements. Rather, it is a memo entry into the Contract Ledger File that tracks payments made by other sources to a joint contract.

The following data elements on the expenditure document may override the coding on the encumbrance document: major object, minor object, cost center, project number, project phase, department activity, vendor number and suffix. The vendor number may be changed any time as long as it is equal to either the contractor number or assignee number as contained on the Contract Ledger Table. It should be noted that although the Contract Ledger Table does not contain the departmental specific data elements, separate suffixes must still be established if the contract encumbrance is to be charged to multiple cost centers, projects, or activities.

Contract Retainages

Contract retainages are the amounts due on contracts which are held back pending final inspection and acceptance, and/or the lapse of a specified time
period. This transaction does not affect the contract encumbrance amount. This entry is recorded by transaction code 652:

**TC 652 To Record Contract Retainage**

- DR 746 Contract Retainage Contra
- CR 745 Contract Retainage

Payments of contract retainages are recorded by transaction code 232:

**TC 232 To Record Payments Against Contract Retainage**

- DR 730 Reserve for Encumbrances
- CR 735 Contract Encumbrances

- DR 850 Expenditures Costs/Non-Costs
- CR 350 Audited Claims Payable

- DR 745 Contract Retainage
- CR 746 Contract Retainage Contra

This transaction code not only charges expenditures and reverses the budgetary encumbrance entry but it also liquidates the contract retainage liability.

**EXPENDITURES AND DISBURSEMENTS**

In governmental accounting, expenditures are generally recognized as decreases in net financial resources and include: current operating expenses which require the current or future use of net current assets; debt service; and capital outlays. On the other hand, disbursements are cash payments, usually made by warrants drawn against the State Treasury. This section presents the entries to record various types of expenditures which were not previously encumbered. These types of expenditures include:

- Direct Expenditures;
- Accounts Receivable Related Payments;
- Notes and Loans Receivable Payments;
- Notes and Loans Payable;
- Direct Journal Voucher Payments; and
- Credit Memos.
Each of these expenditures is described below.

**Direct Expenditures**

Vouchered claims of expenditures which were not previously encumbered are recorded by transaction codes 221 and 226:

\[
\text{TC 221/226 To Record Direct Payments For Claims/Interest Which Have Not Been Encumbered}
\]

\[
\text{DR 850 Expenditures Costs/Non-Costs}
\]

\[
\text{CR 350 Audited Claims Payable}
\]

Transaction code 221 is used for payments of unencumbered claims, including interest payments; transaction code 226 is used only for payments of unencumbered interest claims.

Account 850, Expenditures Costs/Non-Costs, represents charges which include payments of current expenses, capital outlays, provisions for retirement of bonded debts and disbursements of a non-operating nature, such as loans and advances and items for resale. For reporting purposes, the costs and non-costs accounts are separated based upon the object codes. Expenditure costs (governmental costs) are identified by object codes 2000 through 7999, and expenditure non-costs (governmental non-costs) are identified by object codes 8000 through 9999. Interest costs recorded by transaction codes 221 and 226 are identified by object code 73XX.

On the other hand, Account 350, Audited Claims Payable, represents amounts owing to creditors on vouchered claims which have been filed with the State Comptroller's Office and have been approved for payment but for which warrants have not been issued.
Accounts Receivable Related Payment

Vouchered claims of expenditures which were not previously encumbered and which are to be reimbursed are recorded by transaction code 252:

TC 252  To Record Direct Payments Of Billable Costs Which Result In A Receivable From A Third Party

DR  850 Expenditures Costs/Non-Costs
CR  350 Audited Claims Payable

DR  070 Accounts Receivable
CR  763 Reserve for Accounts Receivable

Accounts Receivable represent the amounts due on open account from individuals, firms, corporations or governmental agencies for cash advances chargeable against appropriations or for goods and services provided by a State agency. It does not include amounts due from other funds or amounts due from other governmental units which are covered in the Due To/Due From Other Funds and Other Governmental Units sections.

Notes and Loans Receivable Payments

Vouchered claims of expenditures for loans which were not previously encumbered are recorded by transaction code 253:

TC 253  To Record Payments To Third Parties Which Result In Notes And Loans Receivable

DR  850 Expenditures Costs/Non-Costs
CR  350 Audited Claims Payable

DR  080 Notes and Loans Receivable
CR  765 Reserve for Notes and Loans Receivable

Notes and Loans Receivable represent the amounts due to the State which are evidenced by promissory notes. This account is charged with loans made according to the loan programs.
Notes and Loans Payable

Voucher claims of expenditures for payment of notes and loans payable which were not previously encumbered are recorded by transaction code 262:

TC 262  To Record Repayments Of Notes And Loans Payable

    DR  850 Expenditures Costs/Non-Costs
    CR  350 Audited Claims Payable

    DR  470 Notes and Loans Payable
    CR  320 Deferred Charges to Future Appropriations

Direct Journal Voucher Payments

Direct Journal Voucher expenditures are recorded by transaction code 846:

TC 846  To Record Journal Voucher Direct Expenditure

    DR  850 Expenditures Costs/Non-Costs
    CR  010 Cash in State Treasury

This transaction is sometimes used simultaneously with transaction code 193 which reclassifies the expenditures of Cash in State Treasury to expenditures of Funds Not Held in the State Treasury. Transaction code 193 is covered in the Miscellaneous Cash Entries section.

Credit Memos

Vendor credit memos are recorded by transaction codes 200, 201, 202 and 206:

TC 200  To Record Vendor Credit Memos - Claims Encumbrance Related

    DR  350 Audited Claims Payable
    CR  850 Expenditures Costs/Non-Costs

    DR  750 Claims Encumbrances
    CR  730 Reserve for Encumbrances

TC 201/206  To Record Vendor Credit Memos - Direct Payment/Interest Payment Related

    DR  350 Audited Claims Payable
    CR  850 Expenditures Costs/Non-Costs
TC 202 To Record Vendor Credit Memos - Contract Encumbrance Related

DR  350 Audited Claims Payable
    CR  850 Expenditures Costs/Non-Costs

DR  735 Contract Encumbrance
    CR  730 Reserve for Encumbrances

Transaction code 200 is used with purchase order payments; 201 with regular payments and interest payments; 202 with contract payments; and 206 with interest payments.

Vendor credit memos are amounts previously paid to vendors which the vendor has applied as a credit (reduction) against current invoices. For example, assume a department has purchased books from a publisher. After payment had been made, some books were returned to the publisher. The vendor may choose to issue a credit memo rather than issue a refund payment. In this case, the vendor's credit may appear on the next invoice of a subsequent order or it may be a separate document sent to the department. In any case, the department may use the credit to reduce its next payment to the vendor.

The credit memo transaction must be used in conjunction with a payment transaction and must be encoded on the same document as the payment. Interest payments recorded by transaction codes 201 and 206 must be identified by object code 73XX. The amount of the credit memo must not exceed the amount of the invoice being paid. Credit memo transactions are subtracted when calculating the batch balance.
REVENUES AND RECEIPTS

Revenues are cash received which result in increases in governmental and proprietary fund type net current assets from other than expenditure refunds. Both revenues and non-revenues are recorded in one general ledger account. For receipt reports, the revenue and non-revenue accounts are separated based upon the source codes. Revenue receipts are identified by source codes 0001 through 1599 and non-revenue receipts by source codes 1601 through 1999.

There are three major types of revenues and receipts:

- Collection of Assets;
- Collections Resulting in Establishment of Liabilities; and
- Collections Not Related to Assets or Liabilities.

Each of these revenues and receipts is described below.

Collection of Assets

Collection of assets are normally the deposits of various receivables. This section covers only transaction code 052 for Notes and Loans Receivable. The Accounts Receivables are covered in another section.

```
TC 052 To Record Deposit Of Notes And Loans Receivable Collections Which Are Not Credited To Appropriations
```

```
DR 010 Cash in State Treasury
    CR 800 Revenues/Non-Revenues

DR 765 Reserve For Notes And Loans Receivable
    CR 080 Notes And Loans Receivable
```
DR 930 CEC  
CR 931 Cash Equity

**Collections Resulting in Establishment of Liabilities**

Collections resulting in establishment of liabilities are also covered in other sections. This section covers only transaction code 062.

**TC 062 To Record Deposit Of Loans And Advances Which Are Recorded As Notes And Loans Payable And Which Are Credited to Appropriations**

DR 010 Cash In State Treasury  
CR 800 Revenues/Non-Revenues

DR 320 Deferred Charges to Future Appropriations  
CR 470 Notes and Loans Payable

DR 930 CEC  
CR 931 Cash Equity

The payables are evidenced by promissory notes and the notes and loans are payable to third parties.

**Collections Not Related To Assets Or Liabilities**

Collections not related to assets or liabilities are recorded by transaction code 011.

**TC 011 To Record The Deposit Of Receipts**

DR 010 Cash in State Treasury  
CR 800 Revenues/Non-Revenues

DR 930 CEC  
CR 931 Cash Equity

This transaction code is to be used by all funds. As evident from the preceding revenue transactions, Cash Equity is always credited in concert with general ledger 800 Revenues/Non-Revenues. This credit balance account represents the cash financing available to any given appropriation account in FAMIS. As such, it must always be increased when Revenues are increased and decreased when Revenues are decreased. This transaction is applied to all funds and accounts even though accounting policy does not require cash
financing for all accounts. To support this policy FAMIS both (a) omits the printing of cash balances for accounts which are not controlled by it, and (b) ignores cash edits when updating an account which does not require it. In this way all funds and accounts use the same revenue transactions even though they may or may not have cash equity control requirements.

**APPROPRIATION AND ALLOTMENT TRANSFERS**

Both appropriation and allotment transfers represent budgetary transfers between appropriation accounts. There are two types of budgetary transfers. They are:

- Appropriation Transfers; and
- Allotment Transfers.

Each of these appropriation/allotment transfers is briefly described below.

**Appropriation Transfers**

Appropriation transfers are transfers of appropriation balances from one appropriation account to another. These transfers can only be made on approval by the Governor. They do not transfer any cash financing. If a transfer of cash financing is required, another type of transfer is indicated. Appropriation transfers are recorded by transaction codes 473 and 474:

**TC 473 To Record Appropriation Transfers Out**

| DR 675 Appropriation Transfers |
| CR 676 Appropriation Transfers Contra |

This appropriation entry must be used in conjunction with transaction code 474:

**TC 474 To Record Appropriation Transfer In**

| DR 676 Appropriation Transfers Contra |
| CR 675 Appropriation Transfers |

V-21
Allotment Transfers

Allotment transfers are special adjustments of allotment balances which can only be entered by the Office of the Comptroller or DPED. The accounting treatment of allotment transfers is similar to appropriation transfers in that an Appropriation transfer is appended to each allotment transfer. Allotment transfers are recorded by transaction codes 545 and 546:

**TC 545 To Record Allotment Transfers Out**

DR 675 Appropriation Transfer  
CR 676 ATC

DR 710 Allotment Transfer  
CR 720 Allotment Contra

**TC 546 To Record Allotment Transfers In**

DR 676 Appropriation Transfer Contra  
CR 675 Appropriation Transfer

DR 720 Allotment Contra  
CR 710 Allotment Transfer

**INTEGRATED REVENUE/EXPENDITURE TRANSFERS**

Integrated revenue/expenditure transfers are reciprocal entries which charge expenditures and credit revenues, while at the same time transferring cash. There are three uses for integrated revenue/expenditure transfers. They are:

- Residual Equity Transfers;
- Operating Transfers; and
- Quasi External Transfers.

Each of these applications is discussed below.

**Residual Equity Transfers**

Residual equity transfers are nonrecurring or nonroutine transfers of equity between funds. An example is the transferring of a lump sum from the
General Fund to Airports Special Fund for capital investment. Residual equity transfers are recorded by transaction codes 804 and 805:

**TC 804 To Record JV Expenditure Charges Transferring Cash Out To Another Fund Which Records the Cash Transfer In as a Revenue**

- **DR 850 Expenditures**
- **CR 010 Cash**

- **DR 993 Integrated Rev/Exp Control**
- **CR 995 OTC**

**TC 805 To Record JV Revenue Credits Transferring Cash In From Another Fund Which Records the Cash Transfer Out as An Expenditure**

- **DR 010 Cash**
- **CR 800 Revenues**

- **DR 930 CEC**
- **CR 931 Cash Equity**

- **DR 995 OTC**
- **CR 993 INTEGRATED REV/EXP CONTROL**

**Operating Transfers**

Operating transfers are other transfers which are recurring or routine but are neither residual equity transfers nor quasi-external transfers. An example is the transferring of funds from one account to another -- such as a General Fund account providing funds to ameliorate a deficit in a Special Fund account. Operating transfers like residual equity transfers, are recorded by transaction codes 804 and 805.

Both residual equity transfers and operating interfund transfers require input of unique subsidiary account numbers which identify the GAAP funds to and from which transfers are made. This requirement is necessary as residual equity and operating transfers are usually reportable on external financial statements.

**Quasi External Transfers**

Quasi external transfers are transfers of cash that would have resulted in a revenue or expenditure to the State if the transaction (i.e., underlying accounting event) had occurred with a third party. This most typically occurs
when one department or fund provides goods or services to another department or fund. If the goods or services are not provided as a major activity of the supplying department or fund, perhaps another treatment such as expenditure transfer would be more appropriate. However, if the supplying department or fund is acting in an enterprise or intra-governmental service capacity, the quasi external transfer treatment is more appropriate. Just like residual equity and operating transfers, quasi external transfers are recorded by transaction codes 804 and 805.

**LOAN TRANSFERS**

Loan transfers are temporary short-term loans of cash to or from other accounts or funds. There are two major types of loan transfers. They are:

- Cash Transfer Loans; and
- Interfund Loan Transfers.

Each of these loan transfers is briefly described below.

**Cash Transfer Loans**

Cash transfer loans are used to provide a temporary increase in cash equity financing, where legally permissible. Such loans most typically occur in Special Fund accounts which are financed by Federal funds. The loan is usually made to cover a temporary cash equity shortage. They are subsequently repaid once the Federal reimbursement has been collected. Such loans are related to specific appropriation symbols and are recorded by transaction codes 222, 061, 223 and 051:

TC 222 To Record A Cash Transfer For A Temporary Loan to Another Account

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>931 Cash Equity</td>
<td>930 CEC</td>
</tr>
</tbody>
</table>

DR 110 Temporary Loans to Other Accounts
CR 992 Cash Transfer Control
It should be noted that cash transfer loans cannot be made across fund lines. Rather, they are only made from one appropriation account to another within the same fund. This transaction should be used simultaneously with transaction code 061 which records the receipt of funds in the borrowing appropriation:

**TC 061 To Record A Cash Transfer For A Temporary Loan From Another Account**

- **DR 992 Cash Transfer Control**
- **CR 395 Temporary Loans from Other Accounts**
- **DR 930 CEC**
- **CR 931 Cash Equity**

Transaction codes 223 and 051 record the repayment and receipt of a temporary loan from one account to another:

**TC 223 To Record A Cash Transfer For Repayment of a Temporary Loan From Another Account**

- **DR 395 Temporary Loans From Other Accounts**
- **CR 992 Cash Transfer Control**
- **DR 930 CEC**
- **CR 931 Cash Equity**

Transaction code 223 should be used simultaneously with transaction code 051 which records the receipt of the repayment in the lending appropriation:

**TC 051 To Record A Cash Transfer For Collection of a Temporary Loan To Another Account**

- **DR 992 Cash Transfer Control**
- **CR 110 Temporary Loans to Other Accounts**
- **DR 930 CEC**
- **CR 931 Cash Equity**

**Interfund Loan Transfers**

Interfund loan transfers move cash from one fund to another fund for temporary financing purposes. As such, there is no operating impact recorded from such transfers. These transfers are almost always initiated by DB&F. They do not provide cash equity financing to any specific accounts and accordingly are not well suited to provide cash availability for any given
department's financing requirements. The four transactions related to interfund loan transfers are transaction codes 980, 981, 982, and 983:

TC 980  To Record Temporary Loans to Other Funds
       DR 115 Temporary Loans to Other Funds
       CR  010 Cash

TC 981  To Record Temporary Loans From Other Funds
       DR  010 Cash
       CR  397 Temporary Loans From Other Funds

TC 982  To Record the Collection of Temporary Loans to Other Funds
       DR  010 Cash
       CR  115 Temporary Loans to Other Funds

TC 983  To Record the Repayment of Temporary Loans From Other Funds
       DR  397 Temporary Loans From Other Funds
       CR  010 Cash

EXPENDITURE TRANSFERS

Expenditure transfers record the reclassification of expenditures from one set of classification codes to another. For example, they can change major object from the initially charged major object to another major object. They also record the transfer of expenditures from the initially charged appropriation symbol to another appropriation symbol. These entries should never be used solely to transfer or reclassify optional departmental data only. However, if optional departmental data changes along with a transfer of reclassification of the Appropriation Symbol or Major Object Code, it may be included. These entries are recorded by transaction codes 561 and 562:

TC 561  To Record Expenditure Transfer Charges In
       DR  850 Expenditures Costs/Non-Costs
       CR  010 Cash in State Treasury

       DR  996 Expenditure Transfer Control
       CR  995 Operating Transfer Contra

This transaction must be recorded simultaneously with transaction code 562:

TC 562  To Record Expenditure Transfer Credits Out
       DR  010 Cash in State Treasury
       CR  850 Expenditures Costs/Non-Costs

V-26
DR 995 Operating Transfer Contra  
CR 996 Expenditure Transfer Control

In the case of Expenditure Transfers related to contracts, transaction codes 563 and 564 are used in lieu of transaction codes 561 and 562:

TC 563 To Record Contract Expenditure Transfer Charges In  
DR 850 Expenditure Costs/Non Costs  
CR 010 Cash In State Treasury

DR 730 Reserve for Encumbrances  
CR 735 Contract Encumbrances

DR 996 Expenditure Transfer Control  
CR 995 Operating Transfer Contra

TC 564 To Record Contract Expenditure Transfer Credits Out  
DR 010 Cash In State Treasury  
CR 850 Expenditures Costs/Non-Costs

DR 735 Contract Encumbrances  
CR 730 Reserve for Encumbrances

DR 995 Operating Transfer Contra  
CR 996 Expenditure Transfer Control

The general ledger balances for account numbers 995 and 996 should be zero for all departments and funds taken as a whole. If they are not equal to zero, then expenditure transfers out do not equal expenditure transfers in. Such a condition should be investigated and entries made to bring the control balance back to zero.

REVENUE TRANSFERS

Revenue transfers record the reclassification of revenues initially credited to another appropriation in the same fund, to another appropriation in a different fund or to the same appropriations. Revenue transfers/reclassifications are made between the cash paying fund and cash receiving fund. These transfers are recorded by transaction codes 801 and 802:
TC 801  To Record Transfer Or Reclassification of Revenue Out

DR  800 Revenues/Non-Revenues
    CR  010 Cash in State Treasury

DR  997 Revenue Transfer Control
    CR  995 Operating Transfer Contra

DR  931 Cash Equity
    CR  930 CEC

Transaction code 801 must be recorded simultaneously with transaction code 802 which records the transfers/reclassifications of revenue into the cash receiving fund:

TC 802  To Record Transfer or Reclassification of Revenue In

DR  010 Cash in State Treasury
    CR  800 Revenues/Non-Revenues

DR  995 Operating Transfer Contra
    CR  997 Revenue Transfer Control

DR  930 CEC
    CR  931 Cash Equity

The general ledger balances for account numbers 995 and 997 should be zero. If an out of balance condition exists, the general ledger accounts must be reconciled and the invalid condition identified and corrected.

CASH EQUITY TRANSFERS

Cash equity transfers reclassify cash equity balances from one accounting classification to another within the same fund. As previously described in the revenue section, cash equity represents the cash financing available to any given appropriation account which is required by law to be cash funded. The cash equity account is a credit balance account indicating that it is not actually cash, but rather the sum of cash collected within the current annual period plus any balance unspent from previous periods. As a general rule there is no need to transfer cash equity as it always transfers with revenue in FAMIS. However if a department has DAGS approval to use a revenue clearing
account, the transfer of cash equity may become necessary depending on the department's treatment of estimated revenues.

The general rule to follow is that revenue should follow the account of revenue estimation while cash equity must follow the account of actual expenditure. Therefore, if the estimated revenue is charged to the revenue clearing account then the actual revenue should remain credited to the clearing account, while the cash equity is transferred to the expending account. The transactions to transfer cash equity are 971 and 972:

TC 971 To Record Cash Equity Transfers In

DR 992 Cash Transfer Control
CR 931 Cash Equity

TC 972 To Record Cash Equity Transfers Out

DR 931 Cash Equity
CR 992 Cash Transfer Control

As evident from the above treatments, these transactions do not transfer actual cash and therefore cannot be used across fund or departmental lines.

REVENUE/RECEIPT ADJUSTMENTS FOR BAD CHECK DEPOSITS

Revenue/receipt adjustments for bad check deposits are usually recorded with Journal Vouchers based upon original deposit information from the departments which are included on copies of Finance Division's memos forwarded to UARB. The purpose of these transaction codes is to record the deposit decreases resulting from bad checks. The deposit decreases are recorded by various transaction codes which are related back to the transaction codes recording the original deposits. There are two major types of bad check transactions. They are:

- Deposit Decreases to Revenues/Non-Revenues
- Deposit Decreases to Current Year Expenditures
Deposit Decreases to Revenues/Non-Revenues

Deposit decreases to revenues/non-revenues for bad checks reduce the initial deposits. The following is a crosswalk:

<table>
<thead>
<tr>
<th>Transaction Codes for Bad Check Deposits</th>
<th>Transaction Codes for Initial Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>280</td>
<td>011</td>
</tr>
<tr>
<td>283</td>
<td>054</td>
</tr>
<tr>
<td>286</td>
<td>052</td>
</tr>
</tbody>
</table>

As the crosswalk indicates transaction 011 is reversed by transaction 280 if the check deposited is not honored by the bank. In like manner transaction 054 is reversed by transaction 283 and transaction code 052 is reversed by transaction code 286 when a check is dishonored.

**TC 280 To Record Adjustments for Bad Check Deposit of Receipts**

<table>
<thead>
<tr>
<th>DR</th>
<th>800 Revenues/Non-Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>010 Cash in State Treasury</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>931 Cash Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>930 CEC</td>
</tr>
</tbody>
</table>

**TC 283 To Record Adjustment For Bad Check Deposit of Accounts Receivable Collections**

<table>
<thead>
<tr>
<th>DR</th>
<th>070 Accounts Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>763 Reserve For Accounts Receivable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>800 Revenues/Non-Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>010 Cash In State Treasury</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>931 Cash Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>930 CEC</td>
</tr>
</tbody>
</table>

**TC 286 To Record Adjustment For Bad Check Deposit of Notes and Loans Receivable Collections**

<table>
<thead>
<tr>
<th>DR</th>
<th>080 Notes and Loans Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>765 Reserve for Notes and Loans Receivable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>800 Revenues/Non-Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>010 Cash In State Treasury</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>931 Cash Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>930 CEC</td>
</tr>
</tbody>
</table>
Deposit Decreases to Current Year Expenditures

Deposit decreases to current year expenditures for bad checks reduce the initial deposits. The following is a crosswalk:

<table>
<thead>
<tr>
<th>Transaction Codes for Bad Check Deposits</th>
<th>Transaction Codes for Initial Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>289</td>
<td>121</td>
</tr>
<tr>
<td>290</td>
<td>141</td>
</tr>
<tr>
<td>291</td>
<td>131</td>
</tr>
<tr>
<td>292</td>
<td>Reverses original credit to Expenditures costs/non-costs, contract retainages, and original debit to contract encumbrances.</td>
</tr>
</tbody>
</table>

TC 289 To Record Adjustments For Bad Check Deposit of Reimbursement Of Current Year Expenditures

DR 850 Expenditures Costs/Non-Costs
CR 010 Cash in State Treasury

The debit/credit entries to transaction code 289 are the same general ledger treatments for transaction codes 290 thru 292. The additional debit/credit pairs are described below:

TC 290 To Record Adjustment For Bad Check Deposit of Reimbursement of Current Year Expenditures Initially Charged To Claims Encumbrances

DR 730 Reserve for Encumbrances
CR 750 Claims Encumbrances

TC 291 To Record Adjustment For Bad Check Deposit of Reimbursement of Current Year Expenditures Initially Charged To Contract Encumbrances

DR 730 Reserve for Encumbrances
CR 735 Contract Encumbrances

TC 292 To Record Adjustment For Bad Check Deposit of Reimbursement of Current Year Expenditures Initially Charged to Contract Encumbrances - Contract Retainages

DR 730 Reserve for Encumbrances
CR 735 Contract Encumbrances
EXPENDITURE/DISBURSEMENT REFUNDS

Expenditure refund transactions record the deposit of refunds of the current fiscal year expenditures and the related decrease in current assets. Disbursement refund transactions record the deposit of refunds of warrants drawn against the State Treasury. There are three major types of expenditure refunds. They are:

- Refunds of Current Fiscal Year Payments;
- Refunds of Notes and Loans Receivable Payments; and
- Refunds of Notes and Loans Payable.

Refunds of Current Fiscal Year Payments

Refunds of current fiscal year payments are recorded by transaction code 121:

TC 121 To Record The Refund And Reimbursement Of Current Fiscal Year Payments

DR 010 Cash in State Treasury
CR 850 Expenditures Costs/Non-Costs

Refunds of current fiscal year payments at the summary level are recorded by transaction code 122:

TC 122 To Record the Refund and Reimbursement of Current Fiscal Year Payments At the Summary Level

DR 010 Cash in State Treasury
CR 850 Expenditures Costs/Non-Costs

This transaction does not reinstate any previously liquidated encumbrances. The debit/credit entries to transaction codes 121 and 122 are the same general ledger treatments for transaction codes 153 and 161. The additional debit/credit pairs are described below.
Refunds of Notes and Loans Receivable Payments

Refunds of notes and loans receivable payments are recorded by transaction code 153:

**TC 153 To Record The Refund Of Payments Initially Charged To Notes And Loans Receivable**

- DR 765 Reserve for Notes and Loans Receivable
- CR 080 Notes and Loans Receivable

This transaction decreases the receivable originally established by transaction code 253.

Refunds of Notes and Loans Payable

Refunds of notes and loans payable are recorded by transaction code 161:

**TC 161 To Record The Refund For Payment of Notes and Loans Payable**

- DR 320 Deferred Charges to Future Appropriations
- CR 470 Notes and Loans Payable

This transaction increases the payable originally established by transaction code 262.

REVENUE/RECEIPT REFUNDS

Revenue/receipt refund transactions record vouchered claims not previously encumbered for revenues/receipts collected in error. There are two major types of revenue/receipt refunds. They are:

- Refunds of Receipts; and
- Refunds of Notes and Loans Receivable.

Each of these revenue/receipt refunds are briefly described below.

Refunds of Receipts

Vouchered claims for refunds of revenue and non-revenue receipts are recorded by transaction code 271:
TC 271 To Record Refunds Of Receipts

DR 800 Revenues/Non-Revenues
CR 350 Audited Claims Payable

DR 931 Cash Equity
CR 930 CEC

This transaction records the refunds of deposits recorded by transaction code 011. It should be noted that all Funds may use transaction 271 to record the refund of receipts.

Refunds of Notes and Loans Receivable

Vouchered claims for refunds of revenue and non-revenue receipts and the related reversal of notes and loans receivable collections are recorded by transaction code 276:

TC 276 To Record Refund Of Erroneous Notes And Loans Receivable Collections

DR 080 Notes and Loans Receivable
CR 765 Reserve for Notes and Loans Receivable

DR 800 Revenues/Non-Revenues
CR 350 Audited Claims Payable

DR 931 Cash Equity
CR 930 CEC

This transaction records the refunds of deposits recorded by transaction code 052.

INVESTMENT ACCOUNTING

Investment accounting is primarily concerned with the purchase of securities, real estate, and time deposits held for the production of income in the form of interest, dividends, rentals, or lease payments. Investment accounting also includes the subsequent sale or liquidation of the investments. There are two major types of investments. They are:
- Short-Term Cash Investments; and
- Long-Term Investments.

Each of these two types of investments are described below.

Short-Term Cash Investments

Short-term cash investments are usually either time deposits, repurchase agreements or U.S. Treasury bills. These investments are recorded based upon an Application For Time Certificate of Deposit previously approved by the Department of Budget and Finance. Investment transactions are funded by the cash equity balance of a particular appropriation account. The short-term cash investment transactions are presented below.

**TC 471 To Record The Purchase Of Investments With Cash Equity Funds**

<table>
<thead>
<tr>
<th>DR</th>
<th>040 Short-Term Cash Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>010 Cash in State Treasury</td>
</tr>
</tbody>
</table>

This transaction records the purchase of short-term investments and the restriction of the appropriated funds. This restriction prevents the appropriated funds from being allotted. In addition, short-term investments purchased with non-appropriated funds can be recorded by using this transaction. In this case, the investments would be charged against pseudo appropriation accounts. The redemption or sale of the investment is recorded by transaction code 472:

**TC 472 To Record The Sale Of Investments Which Were Originally Purchased With Cash Equity Funds**

<table>
<thead>
<tr>
<th>DR</th>
<th>010 Cash in State Treasury</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>040 Short-Term Cash Investments</td>
</tr>
</tbody>
</table>

The transaction records the recovery of the cost of the investments. It should be noted that the purchase of investments with cash equity temporarily restricts the expenditure of such funds until such time as the investment is subsequently liquidated. However, the investment of cash equity will not cause contract or claims encumbrances to be rejected.
Long-Term Investments

Long-term investments include U.S. Government Securities, State of Hawaii bonds, other government bonds, and real property. If a department purchases investments with cash held in their own bank accounts, the long-term investment transaction code should be used. Long-term investment purchases are coded on the Payment Coding Input document and is recorded by transaction code 254:

TC 254 To Record The Purchase of Investments Charged
To Expenditures, Non-Cost

DR 850 Expenditures, Non-Cost
CR 350 Audited Claims Payable

DR 150 Investments
CR 773 Reserve for Investments

This transaction records the purchase of long-term investments and the reduction of the available allotment. The redemption or sale of the investment is recorded by transaction code 043:

TC 043 To Record The Deposit of Investment Sale Proceeds

DR 010 Cash in State Treasury
CR 800 Revenues/Non-Revenues

DR 773 Reserve for Investments
CR 150 Investments

DR 930 CEC
CR 931 Equity

The transaction records the recovery of the cost of the investment and the related increase to cash equity.

DEPARTMENTAL SPECIFIC ENTRIES

Departmental specific entries represent transactions which affect department accounting records but not central accounting records. There are four major types of departmental specific entries. They are:

- Departmental Allotment Entries;
- Departmental Budget Entries;
Departmental Revenue Entries;
Departmental Expenditure Entries; and
Departmental Project Cash Equity Entries.

Each of these five types of departmental specific entries is briefly described below.

Departmental Allotment Entries

Departmental allotment entries are all reclassification entries. Most allotments are first recorded based upon approved Request for Allotment (A-19) forms using transaction codes 511, 512, 513 and 514. These allotments are recorded in four files: Appropriation, Allotment, Department Allotment and Project (if the project number is present). As a general rule, optional departmental codes such as Project, Cost Center and Department Activity are not present on these transaction codes. This is because the A-19 does not accommodate such classification elements. Therefore, if allotments are to be recorded at the optional levels of detail, they must be recorded after the A-19 allotments on another form.

The proper form to use for the departmental allotments is the Agency Internal Journal Entry Form. There are ten special department allotment transactions. Five are increase transactions, and five are decrease transactions. One increase and one decrease transaction code is designed for each of the four quarterly allotments plus the non-quarterly other allotments. These transactions only update the Department Allotment File and Project File. Therefore, they do not affect central accounting records.

If a department wants to record allotments using cost center or project codes, for example, they must first reduce the allotment already recorded by the A-19 and then enter the departmental allotment with the cost center or project code present. These departmental allotment entries are as follows:
TC XXX To Record Allotment Increase Adjustments

DR 910 Dept Allotment Control
CR XXX Dept Allotments - Various Quarters, Others

These departmental allotment increase entries must be offset with departmental allotment decrease entries. These departmental allotment decrease entries are illustrated as follows:

TC XXX To Record Departmental Decrease Adjustments

DR XXX Dept Allotments - Various Quarters, Others
CR 910 Dept Allotment Control

The relationship between departmental allotment increase entries and departmental allotment decrease entries are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Department Allotment Transaction Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increase Adj.</td>
</tr>
<tr>
<td>1st Quarter</td>
<td>081</td>
</tr>
<tr>
<td>2nd Quarter</td>
<td>082</td>
</tr>
<tr>
<td>3rd Quarter</td>
<td>083</td>
</tr>
<tr>
<td>4th Quarter</td>
<td>084</td>
</tr>
<tr>
<td>Other Allotments</td>
<td>085</td>
</tr>
</tbody>
</table>

If the total amount recorded by '08' increase transactions equals the amount recorded by '09' decrease transactions, the departmental allotment balances will match central accounting's allotment balances.

Departmental Budget Entries

Departmental budget entries are recorded to provide department budgetary balances on the project and operating files. These departmental budget entries are recorded on Agency Internal Journal Entry forms and are established and increased by the following transaction:
To Record The Establishment Of And Increases To Departmental Budgets

DR 901 Departmental Budget Contra
CR 900 Departmental Budget

The departmental budget is decreased by the following transaction:

To Record Decreases To Departmental Budgets

DR 900 Departmental Budget
CR 901 Departmental Budget Contra

Departmental Revenue Entries

Departmental revenue entries are recorded to reclassify revenues below the appropriation level on the Department Allotment and Project Files. For example, the departmental revenue entries can reclassify revenues between cost centers, activity, projects, project phases, and between any combination of the preceding departmental optional codes. These departmental revenue entries are recorded on Agency Internal Journal Entry forms and are as follows:

To Record Increase Adjustments To Departmental Revenues

DR 909 Departmental Adjustment Clearing
CR 903 Departmental Revenue Adjustment

The departmental revenues increase entry must be offset with a departmental revenues decrease entry. The departmental revenue decrease entry is:

To Record Decrease Adjustments To Departmental Revenues

DR 903 Departmental Revenue Adjustment
CR 909 Departmental Adjustment Clearing

The entry of departmental revenue increase adjustments with offsetting departmental revenue decrease adjustments will help ensure that the departmental revenue amounts will match central accounting's revenue amounts. In addition, departmental revenue entries should never reclassify revenues between source codes.
Departmental Expenditure Entries

Departmental expenditure entries are intended to be used in the same manner as departmental revenue entries. For example, departmental expenditure entries reclassify expenditures between cost centers, activity, projects, project phases, minor object codes, and between any combination of the preceding departmental optional codes. Departmental expenditure increase entries must be offset by departmental expenditure decrease entries. Additionally, these entries should never reclassify expenditures between major objects.

Departmental expenditure entries can either be vendor-related or non-vendor related. The vendor-related departmental expenditure entries are:

**TC 069  To Record Increase Adjustments To Departmental Expenditures - Vendor Related**

**DR** 902 Departmental Expenditure Adjustments  
**CR** 909 Departmental Adjustment Clearing

**TC 070  To Record Decrease Adjustments To Departmental Expenditures - Vendor Related**

**DR** 909 Departmental Adjustment Clearing  
**CR** 902 Departmental Expenditure Adjustments

The non-vendor related departmental expenditure entries include:

**TC 071  To Record Increase Adjustments To Departmental Expenditures**

**DR** 902 Departmental Expenditure Adjustments  
**CR** 909 Departmental Adjustment Clearing

**TC 072  To Record Decrease Adjustments To Departmental Expenditures**

**DR** 909 Departmental Adjustment Clearing  
**CR** 902 Departmental Expenditure Adjustments

The vendor-related departmental expenditure entries are similar to the non-vendor related departmental expenditure entries except that the vendor-related entries require a vendor number and suffix to be input and will post to the Vendor Financial File.
Departmental Project Cash Equity Entries

Departmental project cash equity entries are recorded to provide departmental cash equity balances on the project file. These departmental project cash equity transactions are recorded on Agency Internal Journal Entry forms and are established and increased by the following transaction:

**TC 077 To Record Establishment And Increases To Departmental Project Cash Equity**

- **DR 905 Departmental Cash Equity Contra**
- **CR 904 Departmental Cash Equity**

The departmental project cash equity is decreased by the following transaction:

**TC 078 To Record Decreases To Departmental Project Cash Equity**

- **DR 904 Departmental Cash Equity**
- **CR 905 Departmental Cash Equity Contra**

**MISCELLANEOUS CASH ENTRIES**

This section describes miscellaneous cash entries. Miscellaneous cash entries represent the reclassification of amounts between various general ledger cash accounts; the entries do not affect revenues or expenditures. There are four types of miscellaneous cash entries. They are:

- Cash Collections In Transit;
- Cash With Treasurer, U.S.A.;
- Cash Not Required To Be Deposited In State Treasury; and
- Departmental Imprest And Change Fund.

Each of these four types of miscellaneous cash entries is briefly described below.
Cash Collections In Transit

Cash collections in transit are collections of cash by state agencies not deposited in the State Treasury or deposits made in a prior period but not acknowledged by the State Treasury until the current period. These entries are recorded by Journal Vouchers and reclassified "as of" cash deposits to collections in transit (the "as of" transactions records the deposits to the State Treasury as though they had been made at the earlier "as of" date). The entry to reclassify Cash in the State Treasury to Collection in Transit is recorded by transaction code 393:

TC 391 To Record The Reclassification Of Charges To Cash In State Treasury For Collections In Transit

DR 015 Departmental Cash Collections In Transit
CR 010 Cash in State Treasury

Transaction 391 is normally a year-end reclassifying journal entry and is reversed at the beginning of the next fiscal year by transaction code 191 as follows:

TC 191 To Record Charges To Cash For Deposits of Cash Previously Charged To Collections In Transit

DR 010 Cash in State Treasury
CR 015 Departmental Cash Collections in Transit

Cash With Treasurer U.S.A.

Cash with the Treasurer, U.S.A. are recorded based upon deposits made by the Department of Taxation and wire-withdrawals made by the Department of Labor and Industrial Relations. The deposits are recorded by Treasury Deposit Receipts and the withdrawals by Journal Vouchers. The purpose of these transactions is to present the State's cash balance with the Secretary of the Treasury, U.S.A. The deposits and disbursements are initially recorded with transactions using Cash in the State Treasury and are subsequently reclassified with the following transaction codes:
To Record The Reclassification of Cash in State Treasury To Cash With Treasurer, U.S.A.

DR 025 Cash with Treasurer, U.S.A.
CR 010 Cash in State Treasury

To Record The Reclassification of Cash With Treasurer, U.S.A. To Cash in State Treasury

DR 010 Cash in State Treasury
CR 025 Cash With Treasurer, U.S.A

Cash Not Required to be Deposited in State Treasury

Cash not required to be deposited in State Treasury is recorded based on transactions to cash held by state agencies. These transactions are periodically summarized on Journal Vouchers. The purpose of these transactions is to present the balance of cash not deposited with the State Director of Finance. The deposits and disbursements are initially recorded with transactions using cash in State Treasury and are subsequently reclassified with the following transaction codes:

To Record The Reclassification of Charges to Cash in State Treasury for Funds Not Required to Be Deposited In State Treasury

DR 030 Funds Not Required to Be Deposited in State Treasury
CR 010 Cash in State Treasury

To Record Charges To Funds Not Required To Be Deposited In State Treasury Previously Charged To Cash In State Treasury

DR 010 Cash in State Treasury
CR 030 Funds Not Required To Be Deposited In State Treasury

Departmental Imprest and Change Fund

Departmental imprest and change fund transactions are usually recorded based upon the issuance of the imprest or change fund and the subsequent reimbursement of the fund. The initial issuance of the fund and its subsequent reimbursement are evidenced by a payment coding input document. The purpose of these transactions is to record the cash advanced by the
General Fund and the subsequent disbursements made from the cash advanced.

The initial issuance of the imprest or change fund is recorded by transaction code 394:

TC 394  To Record The Establishment Of The Departmental Imprest And Change Funds

DR  020 Departmental Imprest and Change Fund
CR  350 Audited Claims Payable

The return of the imprest or change fund to the General Fund is recorded by transaction code 194:

TC 194  To Record The Return Of The Departmental Imprest And Change Fund

DR  010 Cash in State Treasury
CR  020 Departmental Imprest and Change Fund

It should be noted that the replenishment of the imprest and change funds is made by transaction code 221, described in the next section.

CASH OVER AND SHORT

Cash Over and short represents cash overages and shortages resulting from the handling of change fund or imprest fund. There are two cash over and short transactions. They are:

- Cash Overages; and
- Cash Shortages.

Each of these two transactions are briefly described below.

Cash Overages

Cash overages are usually recorded based upon unaccounted cash in the change fund or imprest fund and is evidenced by a Treasury Deposit Receipt. The purpose of this transaction is to record the deposit of the cash overage to the State Treasury. Cash overages is recorded by transaction code 011:
TC 011 To Record The Deposit of Receipts Not Credited To Appropriations
Or Allotments

DR 010 Cash in State Treasury
CR 800 Revenues/Non-Revenues

DR 930 CEC
CR 931 Cash Equity

Cash Shortages

Cash shortages are usually recorded based upon unaccounted cash losses in
the change fund or imprest fund and is evidenced by a payment coding input
document. The purpose of this transaction is to record the cash shortage and
reimburse the change fund or imprest fund. Cash shortages are recorded by
transaction code 221:

TC 221 To Record Direct Payments For Claims Which Have Not Been
Encumbered

DR 850 Expenditures Costs/Non-Costs
CR 350 Audited Claims Payable

Essentially, the 221 transaction pays back the change fund for the amount it
is short.

WARRANT CYCLE

The warrant cycle represents the life cycle of warrants, from its issuance
to its final liquidation. There are four major types of warrant cycle
transactions. They are:

- Warrant Issuance;
- Warrant Liquidation;
- Warrant Reclassification; and
- Warrant Recovery.

Each of the four types of warrant cycle transactions are briefly described
below.
Warrant Issuance

Warrant issuance is usually recorded based upon transactions generated by the Warrant Writer interface. The purpose of this entry is to record the issuance of warrants based upon audited claims payable. Warrant issuance is recorded by transaction code 851:

TC 851 To Record The Issuance of Warrants

DR 350 Audited Claims Payable
    CR XXX Various Warrants Payable

Transaction code 851 records the issuance of warrants generated from audited claims previously entered in the FAMIS accounting system. In addition to transaction code 851, there are other warrant issuance transactions for warrants generated through accounting systems other than FAMIS. These transactions can be summarized by a basic expenditure transaction and a basic revenue refund transaction as follows:

TC XXX To Record The Issuance Of Expenditure Warrants

DR 850 Expenditures Costs/Non-Costs
    CR XXX Various Warrants Payable

TC XXX To Record The Issuance of Revenue Refund Warrants

DR 800 Revenues/Non-Revenues
    CR XXX Various Warrants Payable

Those warrant issuance transactions other than transaction code 851 are summarized by the following matrix:

<table>
<thead>
<tr>
<th>ACCOUNTING SYSTEM</th>
<th>WARRANT ISSUANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EXPENDITURES</td>
</tr>
<tr>
<td>Departmental specific accounting systems printing warrants through the central warrant writing system.</td>
<td>934</td>
</tr>
<tr>
<td>Departmental specific accounting systems printing warrants through warrant writing systems other than the central warrant writing system.</td>
<td>936</td>
</tr>
</tbody>
</table>
ACCOUNTING SYSTEM (continued)

Same as above except that the warrant is charged to a special fund and the following debit-credit pair is added:

DR 931 Cash Equity
CR 930 CEC

Payroll system

WARRANT ISSUANCE

EXPENDITURES

REVENUE REFUND

938

809

Warrant Liquidation

Warrant liquidation is usually recorded based upon the warrants presented to and paid by the Department of Finance and is evidenced by the Treasurer's Office Disbursements Report. The purpose of this transaction is to record the reduction of warrants payable for the paid warrants. Warrant liquidation is recorded by transaction code 852:

TC 852 To Record The Liquidation of Warrants Payable

DR XXX Various Warrants Payable
CR 010 Cash in State Treasury

This entry records the impact of the payment to the banks for the state warrants presented to the Director of Finance.

Warrant Reclassification

Warrant reclassification is usually recorded based upon the warrants outstanding and is evidenced by the Outstanding Warrants Report. The purpose of these transactions is to reclassify the outstanding warrants at the end of the current fiscal year as a prior year outstanding warrants. Warrant reclassification is recorded by transaction codes 904 and 905:

TC 904 To Record The Charge To Warrants Payable - Current Year For The Amount of Warrants Payable - Prior Year

DR XXX Various Warrants Payable - Current Year
CR 999 General Clearing
To Record The Credit To Warrants Payable - Prior Year for Prior Year's Warrants

DR 999 General Clearing
CR XXX Various Warrants Payable - Prior Year

Transaction codes 904 and 905 must be used simultaneously to record the reclassification of amount from current year's warrants payable to prior year's warrants payable.

Warrant Recovery

Warrant recovery is recorded based upon the receipt of cash for a forged warrant or altered amount and is evidenced by Treasury Deposit Receipts. The purpose of the transaction is to record the amount received from the bank. Warrant recovery is recorded by transaction code 939:

TC 939 To Record Deposits of Cash Recovered For Altered Or Forged Warrants

DR 010 Cash in State Treasury
CR XXX Various Warrants Payable

Transaction code 939, if used to record the receipt of cash for an altered warrant, must be followed by a Journal Voucher to record the original disbursement by the Director of Finance.

WARRANT CANCELLATION

This section discusses warrant cancellation. Warrant cancellation represents a decrease in the outstanding warrants by cancellation. There are three types of warrant cancellations. They are:

- Warrant Cancellation of Prior Year's Warrants;
- Warrant Cancellation of Current Year's Warrants; and
- Miscellaneous Warrant Cancellation.

Each of these three types of transactions is described below.
Warrant Cancellation of Prior Year's Warrants

Warrant cancellations of prior year's warrants are based on requests to cancel outstanding warrants issued during a prior fiscal year and are evidenced by Warrants Cancelled forms. The purpose of this entry is to decrease warrants payable and increase revenues. The basic entry to record warrants cancellation of prior year's warrants is transaction code 681:

**TC 681 To Record The Cancellation of Prior Fiscal Year Warrants For Expenditures From An Appropriation Which Has Lapsed**

<table>
<thead>
<tr>
<th>DR</th>
<th>XXX Various Warrants Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>800 Revenues/Non-Revenues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>930 CEC</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>931 Cash Equity</td>
</tr>
</tbody>
</table>

This transaction does not update the Vendor File.

Warrant Cancellation of Current Year's Warrants

Warrant cancellations of current year's warrants are based upon requests to cancel outstanding warrants issued during the current fiscal year and are evidenced by Warrants Cancelled forms. The purpose of these entries is to decrease warrants payable, decrease expenditures (for cancellation of expenditure warrants), or increase revenues (for cancellation of revenue refund warrants), and adjust any other budgetary or real accounts affected by the original expenditure/revenue refund transaction. The basic entries to record cancellation of current year's warrants are transaction code 721 for cancellation of expenditure warrants and transaction code 771 for cancellation of revenue refund warrants:

**TC 721 To Record The Cancellation Of Warrants Drawn That Were Direct Payments For Claims Which Were Not Encumbered**

<table>
<thead>
<tr>
<th>DR</th>
<th>XXX Various Warrants Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>850 Expenditures Costs/Non-Costs</td>
</tr>
</tbody>
</table>
TC 771 To Record The Cancellation Of Warrants Drawn For Payments Of
Refunds Of Receipts Not Credited To Appropriations Or Allotments

DR XXX Various Warrants Payable
CR 800 Revenues/Non-Revenues

DR 930 CEC
CR 931 Cash Equity

The following matrix summarizes the warrants cancellation transactions which affect budgetary and/or real accounts:

<table>
<thead>
<tr>
<th>Warrant Cancellation Transaction Code</th>
<th>Real/Budgetary Account Description</th>
<th>Incr</th>
<th>Decr</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure Warrant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>731 contract encumbrance</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>732 contract encumbrance</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>741 contract retainage</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>752 accounts receivable</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>753 notes and loans receivable</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>762 notes and loans payable</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>763 due to other funds</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>764 due to other govt. units</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Revenue Refund Warrant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>776 notes and loans receivable</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>777 accounts receivable</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

There is a special consideration associated with the expenditure warrant cancellation transactions. These transactions all require a vendor name or a vendor number in order to update the vendor file.

Miscellaneous Warrant Cancellation

Miscellaneous warrant cancellations are based on requests to cancel outstanding warrants and are evidenced by Warrants Cancelled forms. The purpose of these entries is to decrease warrants payable at a summary level. The entry to record a current fiscal year expenditure warrant cancellation is transaction code 722:
TC 722 To Record The Cancellation Of Current Fiscal Year Expenditure Warrants Initially Recorded At A Summary Level

DR XXX Various Warrants Payable
CR 850 Expenditures Costs/Non-Costs

The entry to record a revenue refund warrant cancellation, or a prior fiscal year expenditure warrant cancellation is transaction code 682:

TC 682 To Record The Cancellation Of The General Fund Current Fiscal Year Revenue Refund Warrants And Prior Fiscal Year Expenditure Warrants Initially Recorded At A Summary Level Basis

DR XXX Various Warrants Payable
CR 800 Revenues/Non-Revenues

DR 930 CEC
CR 931 Cash Equity

However, if the warrant was originally charged to the Special Fund, transaction code 692 has to be used instead of transaction code 682. In addition to the general ledger impact described above, transaction code 692 restores the warrant cancellation amount to the appropriation account.

TREASURY WARRANT NOTES PAYABLE

Treasury warrant notes payable is concerned with the issuance and liquidation of treasury warrant notes. There are two types of treasury warrant notes payable transactions. They are:

- Treasury Warrant Notes Issuance; and
- Treasury Warrant Notes Liquidation.

Each of these two types of treasury warrant note transactions are briefly described below.

Treasury Warrant Notes Issuance

Treasury warrant notes issuance are usually recorded based upon the issuance of a treasury warrant note by the State Director of Finance. The purpose of this entry is to record the treasury warrant note payable to the
financial institutions. Treasury warrant note issuance is recorded by transaction code 897:

TC 897 To Record The Issuance Of Treasury Warrant Notes Payable In Exchange And For Payment Of Warrants

DR 010 Cash in State Treasury
CR 450 Treasury Warrant Notes Payable

This transaction also corrects the entry to record the liquidation of warrants payable. Transaction code 897 reclassifies part or all of the credit to cash in the warrant liquidation transaction to treasury warrant notes payable.

Treasury Warrant Notes Liquidation

Treasury warrant notes liquidation are usually recorded based upon the liquidation of the treasury warrant note by the State Director of Finance. The purpose of this entry is to record the payment made to financial institutions for the treasury warrant notes payable. Treasury warrant note liquidation is recorded by transaction code 898:

TC 898 To Record The Liquidation Of Treasury Warrant Notes Payable

DR 450 Treasury Warrant Notes Payable
CR 010 Cash in State Treasury

Payments of interest due on the treasury warrant notes are recorded by transaction code 899.

ESCHEATED WARRANTS

Escheated warrants represent issued warrants which have remained outstanding until the statutory void date and have become a revenue to the State. There are two major types of escheated warrant transactions. They are:

- Warrants Escheated to Specific Account; and,
- Warrants Escheated to The General Fund.

Each of these two types of escheated warrant transactions are briefly described below.
Warrants Escheated To A Specific Account

Warrants escheated to a specific account are usually recorded based upon warrants still outstanding after the void date and is evidenced by the Escheated Warrants Report. The purpose of the entry is to reduce the outstanding warrants payable and credit a specific appropriation through expenditure abatements. Warrants escheated to a specific account are recorded by transaction code 811:

**TC 811 To Record Warrants Escheated With The Amount Reverting To The Originally Charge Appropriation Accounts**

**DR** XXX Various Warrants Payable  
**CR** 850 Expenditures Costs/Non-Costs

Warrants Escheated to the General Fund

Warrants escheated to the General Fund are usually recorded based upon warrants still outstanding after the void date and is evidenced by the Escheated Warrants Report. The purpose of the entries is to reduce the outstanding warrants payable and recognize general fund revenues. Warrants which are escheated to the general fund by another fund are recorded by transaction 815:

**TC 815 To Record Payments To The General Fund For Warrants Escheated**

**DR** XXX Various Warrants Payable  
**CR** 010 Cash in State Treasury

When transaction code 815 is recorded, a related revenue entry must be made in the General Fund. The revenues which represent the warrants escheated are recorded in the General Fund by transaction 011. Escheated warrants originally issued by the General Fund are recorded by transaction 812:

**TC 812 To Record Warrants Escheated Which Were Originally Issued by the General Fund**

**DR** 360 Warrants Payable  
**CR** 800 Revenues/Non-Revenues

**DR** 930 CEC  
**CR** 931 Cash Equity
BOND ISSUANCE CYCLE

The bond issuance cycle represents the authorization of the bond issue and the collection of the bond proceeds. There are two major types of bond issuance cycle transactions. They are:

- Bond Issue Authorized
- Bond Issue Proceeds Collection

Each of these two types of bond issuance cycle transactions is briefly described below.

**Bond Issue Authorized**

Bond issue authorized transactions are usually recorded based upon the authorization by the legislature and are evidenced by the State of Hawaii session laws. The purpose of the entry is to record the bonds authorized by the Legislature but not issued by the Director of Finance. Bond issue authorized is recorded by transaction 911:

**TC 911 To Record Bonds Authorized and Unissued**

| DR  | 795 Bonds Authorized and Unissued |
| CR  | 796 Bonds Authorized and Unissued Contra |

**Bond Issue Proceeds Collection**

Bond issue proceeds collection is usually recorded based upon the collection of the issue proceeds and is evidenced by a Treasury Deposit Receipt. The purpose of the entry is to record the non-revenue bond proceeds and the corresponding decrease in the bonds authorized and unissued. The bond issue proceeds collection is recorded by transaction 912:

**TC 912 To Record The Collection Of Bond Issue Proceeds**

| DR  | 796 Bonds Authorized and Unissued Contra |
| CR  | 795 Bonds Authorized and Unissued |

| DR  | 010 Cash in State Treasury |
| CR  | 800 Revenues/Non-Revenues |
DEBT SERVICE

Debt service represents the retirement of the State of Hawaii bonded debt. There are two major types of debt service transactions. They are:

- Deposit of Debt Service Funds; and
- Refinement of Bonded Debt.

Each of these two types of debt service transactions are briefly described below.

Deposit of Debt Service Funds

Deposit of debt service funds is recorded based upon the Director of Finance receipt of funds for the retirement of bonded debt. These funds are transferred in from operating appropriations. The purpose of these entries is to record the deposit of the transferred funds and the bonded debt amount currently due. Deposits of debt service funds are recorded by the following transactions:

TC 885  To Record The Deposit Of Receipts For Matured Bond Principal Payable

DR 010 Cash in State Treasury
CR 500 Matured Bond Principal Payable

TC 886  To Record The Deposit Of Receipts For Matured Bond Interest Payable

DR 010 Cash in State Treasury
CR 505 Matured Bond Interest Payable

TC 887  To Record The Deposit Of Receipts For Bond Premium Payable

DR 010 Cash in State Treasury
CR 510 Bond Premium Payable

These entries reflect the deposit of cash intended for payment of bond principal, bond interest and bond premium.
Retirement of Bonded Debt

Retirement of bonded debt is recorded based upon cash payments made by the fiscal agents or by the Director of Finance and is evidenced by the redeemed bond, bond coupon or bond/bond coupon schedule. The purpose of these entries is to reduce cash and the bonded debt currently due. The retirement of bonded debt is recorded by the following transactions:

**TC 888 To Record Payment Of Matured Bond Principal Payable**

- **DR** 500 Matured Bond Principal Payable
- **CR** 010 Cash in State Treasury

**TC 889 To Record Payment Of Matured Bond Interest Payable**

- **DR** 505 Matured Bond Interest Payable
- **CR** 010 Cash in State Treasury

**TC 891 To Record Payment Of Bond Premium**

- **DR** 510 Bond Premium Payable
- **CR** 010 Cash in State Treasury

These entries reflect the disbursement of cash for payment of bond principal, bond interest, and bond premium.

**CASH WITH FISCAL AGENTS**

Cash with fiscal agents represents funds not in the State Treasury for payment of matured bonds and interest. The cash with fiscal agents is usually recorded based upon the wire transmittal of funds to the fiscal agents and the bond/interest schedules prepared by the fiscal agents, and is evidenced by the wire transmittals and the bond/interest schedules. The purpose of the cash with fiscal agents entries is to record the transfer of cash to the fiscal agents and to reclassify the disbursement of cash with fiscal agents originally recorded as an expenditure of State Treasury cash. The transactions for cash with fiscal agents are:
To Record The Reclassification Of Charges To Cash In State Treasury For Cash With Fiscal Agents

DR 035 Cash With Fiscal Agents
CR 010 Cash in State Treasury

To Record Charges To Cash With Fiscal Agents Previously Charged To Cash In State Treasury

DR 010 Cash in State Treasury
CR 035 Cash With Fiscal Agents

BOND ANTICIPATION NOTES

Bond anticipation notes represent short-term notes issued by the Director of Finance in anticipation of a subsequent bond issue. Bond anticipation notes are recorded based upon the proceeds from the bond anticipation notes and the subsequent payments of these notes and are evidenced by the bond anticipation notes issued and redeemed. The purpose of bond anticipation notes entries is to increase Treasury cash and short-term liability upon the payment of the notes. The transactions for bond anticipation notes are:

To Record The Issuance Of Bond Anticipation Notes

DR 010 Cash in State Treasury
CR 460 Bond Anticipation Notes Payable

To Record The Payment Of Bond Anticipation Notes

DR 460 Bond Anticipation Notes Payable
CR 010 Cash in State Treasury

The bond anticipation notes are retired from the proceeds of the related bond issue.

BOND FUND LOANS

Bond fund loans represent an allocation of State General Obligation Bond proceeds to various counties and other governmental agencies. There are three major types of bond fund loan transactions. They are:

- Bond Fund Loan, Long-Term Portion;
- Bond Fund Loan, Current Portion; and,
- Collection/Payment of Bond Fund Loans.
Each of these three types of bond fund loan transactions are briefly described below.

**Bond Fund Loan, Long-Term Portion**

Bond fund loans, long-term portion are usually recorded based upon the allocation of the State general obligation bond proceeds among counties and other governmental agencies and are evidenced by the bond allocation worksheet prepared by the Department of Budget and Finance. The purpose of these entries is to record in the lending fund the long-term portion of the bond fund loans due from counties, other funds, or other governmental agencies, and to record in the borrowing fund the long-term liability portion of the bond fund loans due to other funds or other governmental agencies. Bond fund loans, long-term portion, are recorded by transaction 915 in the lending fund:

TC 915 To Record Bond Fund Loans Receivable And Subsequent Increase Adjustments

DR 300 Bond Fund Loan Principal
CR 770 Reserve For Bond Fund Loan

Transaction code 927 records a decrease adjustment in the lending fund to bond fund loans. Bond fund loans, long-term portion, are recorded by transaction code 916 in the borrowing fund:

TC 916 To Record Long-Term Advances From Other Funds

DR 320 Deferred Charges to Future Appropriations
CR 555 Advances From Other Funds

Transaction code 925 records a decrease adjustment in the borrowing fund to bond fund loans.

**Bond Fund Loans, Current Portion**

Bond fund loans, current portion, are usually recorded based upon the bond fund loans, long-term portion, which have become currently due, and are
evidenced by currently due State general obligation bonds which funded the bond fund loans. The purpose of these entries is to record in the lending fund the current portion of the bond fund loans due from counties, other funds or other governmental agencies, and to record in the borrowing fund the current liability portion of the bond fund loans due to other funds or other governmental agencies. Bond fund loans, current portion, are recorded by both transaction code 917 and 932, in the lending fund:

TC 917 To Record The Credit To Bond Fund Loan Principal For Amounts To Be Charged As Matured Principal Due For Bond Fund Loans, And Credit Adjustments

DR 999 General Clearing
CR 300 Bond Fund Loan Principal

TC 932 To Record The Charge To Matured Principal Due For Bond Loan For The Current Portion Of The Bond Fund Loans And Debit Adjustments

DR 130 Matured Principal due for Bond Fund Loans
CR 999 General Clearing

The above entries reflect the long-term portion of bond fund loans which have become currently due. The accrual of the interest due from the bond fund loans are recorded by transaction 918:

TC 918 To Record Amount Due On The Interest Payable For The General Obligation Bonds Issued For Bond Fund Loans And Subsequent Increase Adjustments

DR 135 Interest Due For Bond Fund Loans
CR 770 Reserve for Bond Fund Loan

Transaction code 928 records a decrease adjustment in the lending fund of the interest due on the bond fund loans. Bond fund loans, current portion, are recorded by both transaction code 919 and 933:

TC 919 To Record The Charge To Advances From Other Funds For Amounts To Be Credited As Accrued And Other Liabilities And Debit Adjustments

DR 555 Advances From Other Funds
CR 999 General Clearing
To Record The Credit To Accrued And Other Liabilities For The Current Portion Of The Advances From Other Funds And Credits Adjustments

DR 999 General Clearing
CR 440 Accrued And Other Liabilities

The above entries reflect the long-term liability portion of bond fund loans which have become currently due. The accrual of the interest currently due for the bond fund loans are recorded by transaction code 921:

TC 921 To Record Interest Payable For Bond Fund Loans And Subsequent Increases

DR 320 Deferred Charges to Future Appropriations
CR 444 Accrued and Other Liabilities

Transaction code 926 records a decrease adjustment on the borrowing fund of the interest payable on the bond fund loans.

**Collection/Payment of Bond Fund Loans**

Collection/Payment of bond fund loans is recorded based upon the collection of the bond fund loans by the lending fund and the payment of the bond fund loans by the borrowing fund. The purpose of these entries is to record the transfer of funds between the borrowing and lending funds, the reduction of the receivable/payable accounts and recognize the revenues/expenditures in the appropriate fund. The collection of the bond fund loans is recorded by transaction 923 and 924:

**TC 923 To Record Collection Of Matured Principal Due For Bond Fund Loan**

DR 010 Cash in State Treasury
CR 800 Revenues/Non-Revenues

DR 770 Reserve for Bond Fund Loans
CR 130 Matured Principal Due for Bond Fund Loans

DR 930 CEC
CR 931 Cash Equity
TC 924  To Record Collection Of Amount Due On The Interest Payable For The General Obligations Bonds Issued For Bond Fund Loans

DR 010 Cash in State Treasury
CR 800 Revenues/Non-Revenues

DR 770 Reserve for Bond Fund Loans
CR 135 Interest Due for Bond Fund Loans

DR 930 CEC
CR 931 Cash Equity

The above entries record in the lending fund the collection of cash, the revenue recognition and the decrease in the current receivables. The payment of the bond fund loans in the borrowing fund is recorded by transaction code 922:

TC 922  To Record Payments Of Accrued Liabilities For The Current Portion Of The Advances From Other Funds

DR 850 Expenditures Costs/Non-Costs
CR 010 Cash in State Treasury

DR 440 Accrued and Other Liabilities
CR 320 Deferred Charges to Future Appropriations

The above entry records in the borrowing fund the payment of the cash, the expenditure recognition and the decrease in the current payable.

ACCOUNTS RECEIVABLE

Accounts receivable is an asset account representing the amounts due on open account from individuals, firms, corporations, or governmental agencies for cash advances chargeable against appropriations or for goods and services provided by a State agency. It does not include amounts due from other funds or other governmental units. Vouchered claims of expenditures which were not previously encumbered and which are to be reimbursed are recorded by transaction code 252:

TC 252  To Record Direct Payments Of Billable Costs Which Result In a Receivable from A Third Party

DR 850 Expenditures Costs/Non-Costs
CR 350 Audited Claims Payable
DR 070 Accounts Receivable  
CR 763 Reserve for Accounts Receivable  

Amounts due from individuals, firms, and other governmental units for goods and services provided by the State are recorded by Journal Vouchers using transaction code 862:

**TC 862 To Record Amounts Due On Open Account For Goods And Services Furnished To Other Governmental Units, Individuals And Private Organizations**  
**DR 070 Accounts Receivable**  
**CR 763 Reserve for Accounts Receivable**  

In this case, the State's cost underlying the receivable is not booked at the time of asset recognition.

Deposits of accounts receivable are recorded by transaction code 054.

**TC 054 To Record Deposit Of Accounts Receivable Collections**  
**DR 010 Cash in State Treasury**  
**CR 800 Revenues/Non-Revenues**  

**DR 763 Reserve for Accounts Receivable**  
**CR 070 Accounts Receivable**  

**DR 930 CEC**  
**CR 931 Cash Equity**

### ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES OTHER THAN TAXES

Uncollectible receivables other than taxes represent provisions for receivables not collectible, based upon historical experience. There are three major types of allowance for uncollectible receivables transactions. They are:

- Recording Estimated Uncollectibles and Subsequent Increases;
- Recorded Decreases In Estimated Uncollectibles; and
- Recording Write-Offs.

Each of these three types of allowance for uncollectibles is briefly described below.
Recording Estimated Uncollectibles and Subsequent Increases

The estimated uncollectibles and subsequent increases are recorded by Journal Vouchers using transaction codes 855 and 856:

**TC 855** To Record The Accounts Receivable Estimated To Be Uncollectible And Any Subsequent Increases In The Estimated Uncollectible Account
DR 763 Reserve for Accounts Receivable
CR 071 Allowance for Uncollectible Accounts Receivable

**TC 856** To Record The Notes And Loans Receivable Estimated To Be Uncollectible And Any Subsequent Increases In The Estimated Uncollectible Amount
DR 765 Reserve for Notes and Loans Receivable
CR 081 Allowance for Uncollectible Notes and Loans Receivable

Recorded Decreases In Estimated Uncollectibles

Decreases in estimated uncollectibles are recorded by Journal Vouchers using transaction codes 857 and 868:

**TC 867** To Record Decreases In The Estimated Uncollectible Accounts Receivable
DR 071 Allowance for Uncollectible Accounts Receivable
CR 763 Reserve for Accounts Receivable

**TC 858** To Record Decreases In The Estimated Uncollectible Notes And Loans Receivable
DR 081 Allowance for Uncollectible Notes and Loans Receivable
CR 765 Reserve for Notes and Loans Receivable

Recording Write-offs

Write-offs are recorded by Journal Vouchers using transaction codes 859 and 861:

**TC 859** To Record The Write-Off of Uncollectible Accounts Receivable
DR 763 Reserve for Accounts Receivable
CR 070 Accounts Receivable

**TC 861** To Record The Write-Off of Uncollectible Notes And Loans Receivable
DR 765 Reserve for Notes and Loans Receivable
CR 080 Notes and Loans Receivable
The write-off entries are recorded independently of the estimates for uncollectible amounts. This is so because the write-off is based upon the determination that specific receivables are deemed to no longer be collectible. On the other hand, the estimates for uncollectible amounts are based on the collection history of the receivables taken as a whole.

**TAX ENTRIES**

Tax entries represent the accrual, collection and write-off of amounts related to tax revenues. There are three major types of tax entries. They are:

- Tax Revenue Collections;
- Tax Revenue Transfers; and
- Accrued Taxes.

Each of these three types of tax entries is briefly described below.

**Tax Revenue Collections**

Tax revenue collections are recorded based on tax revenues collected and evidenced by Treasury Deposit Receipts. The purpose of these entries is to record the tax revenues collected. Tax revenue collections are recorded by transaction code 011:

TC 011 To Record The Deposit Of Receipts

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>010</td>
<td>800</td>
</tr>
<tr>
<td>Cash in State Treasury</td>
<td>Revenues/Non-Revenues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>930</td>
<td>931</td>
</tr>
<tr>
<td>CEC</td>
<td>Cash Equity</td>
</tr>
</tbody>
</table>

**Tax Revenue Transfers**

Tax revenue transfers are recorded based on the funds transferred to other appropriations within the same fund and the same appropriation, to other funds, and to other governmental units. The purpose of these transactions is to transfer the tax revenue collections from the clearing account to the

V-63
expending agency or expending appropriation. The transfers of funds are summarized by the following matrix:

<table>
<thead>
<tr>
<th>Description</th>
<th>Transaction To Record</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liability</td>
</tr>
<tr>
<td>Due to another fund</td>
<td>832</td>
</tr>
<tr>
<td>Due to another governmental unit</td>
<td>823</td>
</tr>
</tbody>
</table>

The liability transactions increase the general ledger account Expenditures Costs/Non-costs and an appropriate liability account. The transfers out transactions, except for amounts transferred to another appropriation within the same fund and department, reduce the appropriate liability accounts and cash. The transfers in transactions, except for amounts transferred from another appropriation within the same fund and department, increases cash and the liability account due from other funds. The tax revenues transferred into the liability due from other funds are subsequently reclassified by the following transactions:

<table>
<thead>
<tr>
<th>Transaction Codes</th>
<th>Reclassified as</th>
</tr>
</thead>
<tbody>
<tr>
<td>837</td>
<td>appropriated, unbilled tax revenues</td>
</tr>
<tr>
<td>838</td>
<td>unappropriated, unbilled tax revenues</td>
</tr>
<tr>
<td>822</td>
<td>unappropriated, billed current tax revenues</td>
</tr>
<tr>
<td>848</td>
<td>unappropriated, billed delinquent tax revenues</td>
</tr>
</tbody>
</table>

The amounts transferred between appropriations within the same fund and department results in the same general ledger impact as allotment transfers.

Accrued Taxes

Accrued taxes are recorded based upon the Statement of Tax Operations report. The purpose of these entries is to accrue the current taxes receivable and the delinquent taxes receivable, the collections included in the accrued amount, the estimated uncollectible amounts and the write-off of
the amounts deemed uncollectible. The accrued taxes entries are summarized in
the following matrix:

<table>
<thead>
<tr>
<th>Description</th>
<th>Taxes Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Record:</td>
<td>Current</td>
</tr>
<tr>
<td>current taxes receivable</td>
<td>821</td>
</tr>
<tr>
<td>reclassification of delinquent taxes receivable</td>
<td>843</td>
</tr>
<tr>
<td>decrease adjustment to taxes receivable</td>
<td>827</td>
</tr>
<tr>
<td>collections of taxes receivable</td>
<td>839</td>
</tr>
<tr>
<td>estimated uncollectible taxes receivable</td>
<td>825</td>
</tr>
<tr>
<td>decrease adjustment of uncollectible</td>
<td>826</td>
</tr>
<tr>
<td>taxes receivable</td>
<td></td>
</tr>
<tr>
<td>write-off of uncollectible taxes receivable</td>
<td>853</td>
</tr>
</tbody>
</table>

These entries only impact the asset, liability or reserve accounts.
Expenditures and revenues are not affected.

_DUE TO/DUE FROM OTHER FUNDS_

Due to Other Funds is a liability account reflecting short-term amounts
owed by a particular fund to another fund in the same government for goods
sold or services rendered. Due From Other Funds is an asset account used to
indicate amounts owed to a particular fund by another fund in the same
government for goods sold or services rendered and includes only short-term
obligations on open accounts. There are two major types of due to/due from
other funds transactions. They are:

- Establishment and Payment of Liabilities; and
- Establishment and Receipt of Assets.

Each of these due to/due from other funds treatments is briefly described
below.
Establishment and Payment of Liabilities

Short-term amounts due to other funds are recorded by Journal Vouchers using transaction code 892:

**TC 892 To Record Amounts Due To Other Funds**

DR 320 Deferred Charges to Future Appropriations  
CR 390 Due to Other Funds

Vouchered claims of expenditures which were not previously encumbered for payment of amounts payable to other funds are recorded by transaction code 263:

**TC 263 To Record Payments Of Amounts Due To Other Funds**

DR 850 Expenditures Costs/Non-Costs  
CR 350 Audited Claims Payable

DR 390 Due to Other Funds  
CR 320 Deferred Charges to Future Appropriations

The liquidation of amounts due to other funds without charges to expenditures or revenues are recorded by Journal Vouchers using transaction code 813:

**TC 813 To Record Liquidation Of Amounts Due To Other Funds Without A Charge To Expenditures Or Revenue**

DR 390 Due to Other Funds  
CR 010 Cash in State Treasury

Establishment and Receipt of Assets

Short-term receivables due from other funds are recorded by Journal Vouchers using transaction code 893:

**TC 893 To Record Amounts Due From Other Funds**

DR 100 Due from Other Funds  
CR 767 Reserve for Advances to and Amounts Due from Other Funds

Deposits of open account collections are recorded by transaction code 063:

**TC 063 To Record The Collection Of Amounts Due From Other Funds**

DR 767 Reserve for Advances to and Amounts Due from Other Funds  
CR 100 Due from Other Funds

DR 010 Cash in State Treasury  
CR 800 Revenues/Non-Revenues
Due To/Due From Other Governmental Units

Due To Other Governmental Units is a liability account reflecting amounts owed by the state to specific governmental units. Due From Other Governmental Units is an asset account reflecting amounts due to the state by other governmental units. There are two major types of due to/due from other governmental units transactions. They are:

- Establishment and Payment of Liabilities; and
- Establishment and Receipt of Assets.

Each of these due to/due from other governmental units are briefly described below.

Establishment and Payment of Liabilities

Deposit of collections which are payable to other governmental units are recorded based upon the Treasury Deposit Receipt and Continuation documents.

Deposit of collections are recorded by transaction code 065:

TC 065 To Record The Deposit Of Cash Which Must Be Repaid To Another Governmental Unit

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>010</td>
<td>800</td>
</tr>
<tr>
<td>Cash in State Treasury</td>
<td>Revenues/Non-Revenues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>320</td>
<td>400</td>
</tr>
<tr>
<td>Deferred Charges</td>
<td>Due To Other Governmental Units</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>930</td>
<td>CEC</td>
</tr>
<tr>
<td>CEC</td>
<td>Cash Equity</td>
</tr>
</tbody>
</table>

Amounts due to other governmental units on open accounts for goods and services received are recorded by transaction code 831:

TC 831 To Record Amounts Due To Other Governmental Units On Open Accounts

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>320</td>
<td>400</td>
</tr>
<tr>
<td>Deferred Charges to Future Appropriations</td>
<td>Due To Other Governmental Units</td>
</tr>
</tbody>
</table>
The subsequent payment of amounts due to other governmental units recorded by transaction codes 065 and 831 are recorded by transaction code 264:

**TC 264 To Record Payments of Amounts Due To Other Governmental Units**

**DR** 850 Expenditures Costs/Non-Costs  
**CR** 350 Audited Claims Payable

**DR** 400 Due to Other Governmental Units  
**CR** 320 Deferred Charges to Future Appropriations

These vouchered claims were not previously encumbered.

**Establishment and Receipt of Assets**

Vouchered claims for expenditures which result in amounts due from other governmental units are recorded by transaction code 255:

**TC 255 To Record Payments Which Result In A Receivable Due From Other Governmental Units**

**DR** 850 Expenditures Costs/Non-Costs  
**CR** 350 Audited Claims Payable

**DR** 120 Due From Other Governmental Units  
**CR** 777 Reserve for Other Assets

These vouchered claims were not previously encumbered. The deposit of open account collections due from other governmental units which are not credited to specific appropriations are recorded by transaction code 064:

**TC 064 To Record Collection of Amounts Due From Other Governmental Units**

**DR** 010 Cash in State Treasury  
**CR** 800 Revenues/Non-Revenues

**DR** 777 Reserve for Other Assets  
**CR** 120 Due from Other Governmental Units

**DR** 930 CEC  
**CR** 931 Cash Equity

**MISCELLANEOUS ACCRUAL ENTRIES**

This section describes miscellaneous accrual entries. Miscellaneous accrual entries are transactions which are recognized when they occur,
regardless of the timing of related cash flows. There are three major types of miscellaneous accrual transactions. They are:

- Accrual/Reversal and Reclassification of Expenditures;
- Accrual/Reversal and Reclassification of Revenues; and
- Supplies Inventory and Prepaid Items.

Each of these miscellaneous accrual entries is briefly described below.

**Accrual/Reversal and Reclassification of Expenditures**

Expenses incurred but not payable until a later date are recorded by Journal Vouchers using transaction code 863:

**TC 863 To Record The Accrual of Expenditures And Subsequent Increases In The Accrued Amount**

- **DR** 860 Accrued Expenditures Costs/Non-Costs
- **CR** 440 Accrued and Other Liabilities

These transactions would normally be period ending adjusting entries and would normally be reversed at the beginning of the next period using transaction code 864.

The original charges of deferred charges to future appropriations are reclassified to accrued expenditures by Journal Vouchers using transaction code 902:

**TC 902 To Record The Reclassification Of Deferred Charges To Accrued Expenditures**

- **DR** 860 Accrued Expenditures Costs/Non-Costs
- **CR** 320 Deferred Charges to Future Appropriations

Examples are bond coupon interest, bond anticipation note interest, bond fund loan interest, expenditures payable to other funds, expenditures payable to other governmental units. This transaction would normally be a period ending adjusting entry and should be reversed at the beginning of the period.
Accrual/Reversal and Reclassification of Revenues

Future collections which are earned in the current period are recorded by Journal Vouchers using transaction code 865:

**TC 865 To Record The Accrual of Revenues And Subsequent Increases In The Accrued Amount**

**DR** XXX Various Receivables  
**CR** 810 Accrued Revenues/Non-Revenues

These transactions would normally be period ending adjusting entries and would normally be reversed at the beginning of a period using transaction code 866.

The original credits to reserve accounts are reclassified as accrued revenues/non-revenues by Journal Vouchers using transaction code 903:

**TC 903 To Record The Reclassification Of Various Reserves To Accrued Revenues**

**DR** XXX Various Reserves  
**CR** 810 Accrued Revenues/Non-Revenues

Examples are: reserve for taxes receivable, reserve for accounts receivable, reserve for amounts due from other funds, reserve for bond fund loan items. This transaction would normally be a period ending adjusting entry and should be reversed at the beginning of the period.

Supplies Inventory and Prepaid Items

Supplies inventory and prepaid item increases/decreases are recorded by Journal Vouchers using transaction codes 867 and 868:

**TC 867 To Record Asset Account And Related Fund Balance Reserve And Subsequent Increases**

**DR** XXX Various Assets  
**CR** 775 Reserve for Inventory of Supplies and Prepaid Expenses

The debit account in this example would be either GL 200--Inventory of Supplies or GL 210--Prepaid Expenses.

**TC 866 To Record Decreases For An Asset Account And Related Fund Balance Reserves**
DR 775 Reserve for Inventory of Supplies and Prepaid Expenses
CR XXX Various Assets

The credit account in this example would be either GL 200--Inventory of Supplies or GL 210--Prepaid Expenses.

DEFERRED REVENUE

Deferred revenues are amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, deferred revenues are measurable but not available. The two transactions to record deferred revenue entries are:

TC 895 To Record Reclassification To Deferred Revenues That Were Previously Recorded As Revenues
DR 800 Revenues/Non-Revenues
CR 385 Deferred Revenues

TC 896 To Record Reclassification Of Deferred Revenues That Have Become Earned to Revenues
DR 385 Deferred Revenues
CR 800 Revenues

Since all revenue receipt transactions credit Revenues, there is no method of recording Deferred Revenue from the TDR form. If a determination is made that the receipt has not been earned, then a Journal Voucher entry should be made to reclassify the amount as deferred. Later, once the amount is deemed to be earned, a second Journal Voucher entry should be made to reclassify the amount as revenue.

GENERAL LONG-TERM DEBT

General long-term debt are debts with a maturity of more than one year after the date of issuance (other than special assignment bonds) expected to be repaid from governmental funds. There are four major types of general long-term debt transactions. They are:

V-71
• Issuance of Bonds and Subsequent Increase Adjustments;
• Interest To Be Paid;
• Reclassification of Amount Available for Bond Principal; and
• Reduction of Long-Term Debt.

Each of these general long-term debts is briefly described below.

**Issuance of Bonds and Subsequent Increase Adjustments**

The issuance of bonds at par value and subsequent increase adjustments in the General Long-Term Debt Account are usually recorded by Journal Vouchers using transaction code 876:

**TC 876 To Record The Issuance Of Bonds At Par Value And Subsequent Increase Adjustments In The General Long-Term Debt Account Group**

DR 330 Amount to be Provided for Payment of Bond Principal
CR 520 Bonds Payable

**Interest to Be Paid**

The interest to be paid in future years are usually recorded by Journal Vouchers using transaction code 877:

**TC 877 To Record Interest To Be Paid In Future Years Over The Life Of Bonds And Subsequent Increase Adjustments**

DR 335 Amount to be Provided for Payment of Bond Interest
CR 525 Interest Payable on Bonds in Future Years

The reductions of interest payable on bonds in future years are recorded by Journal Vouchers using transaction code 879:

**TC 879 To Record The Reduction Of Interest Payable In The General Long-Term Debt Account Group**

DR 525 Interest Payable on Bonds in Future Years
CR 335 Amount to be Provided for Payment of Bond Interest

This transaction should be recorded in conjunction with transaction code 886 which records the matured bond interest payable in the Special Fund Debt Service appropriation account.
The reclassifications to increase the amounts available for payment of bond interest are recorded by Journal Vouchers using transaction code 882:

TC 882 To Record The Reclassification Of The Amount Available For Payment Of Bond Interest And Subsequent Increase Adjustments
DR 345 Amount Available for Payment of Bond Interest
CR 335 Amount to be Provided for Payment of Bond Interest

The reclassifications to decrease the amounts available for payment of bond interest are recorded by Journal Vouchers using transaction code 884:

TC 884 To Record The Reclassification To Decrease The Amount Available For Payment of Bond Interest
DR 335 Amount to be Provided for Payment of Bond Interest
CR 345 Amount Available for Payment of Bond Interest

The reductions to interest payable in future years are recorded by Journal Vouchers using transaction code 836:

TC 836 To Record The Reduction of Interest Payable In The General Long-Term Debt Account Group For Amount Available For Payment Of Bond Interest
DR 525 Interest Payable on Bonds in Future Years
CR 345 Amount Available for Payment of Bond Interest

This transaction should be recorded in conjunction with transaction code 886 which records the matured bond interest payable in the Special Fund Debt Service appropriation account.

Reclassification of Amount Available for Bond Principal

The amounts available for payment of bond principal are reclassified for payment of bond principal and as the bond principal is retired. These entries are usually recorded by Journal Vouchers using transaction codes 881 and 883:

TC 881 To Record The Reclassification Of The Amount Available For Payment Of Bond Principal And Subsequent Increase Adjustments
DR 340 Amount Available for Payment of Bond Principal
CR 330 Amount to be Provided for Payment of Bond Principal
TC 883  To Record The Reclassification To Decrease The Amount Available For Payment Of Bond Principal

DR  330 Amount to be Provided for Payment of Bond Principal
CR  340 Amount Available for Payment of Bond Principal

Reduction of Long-Term Debt

The reductions of long-term debt or the redemption of bonds upon maturity or when called are usually recorded by Journal Vouchers using transaction codes 878 and 835:

TC 878  To Record The Reduction of Long-Term Debt

DR  520 Bonds Payable
CR  330 Amount to be Provided for Payment of Bond Principal

Transaction code 878 should be used in conjunction with transaction code 885 which records the matured bond principal liability in the Special Fund Debt Service appropriation account.

TC 835  To Record The Reduction of Long-Term Debt For Amount Available For Bond Principal

DR  520 Bonds Payable
CR  340 Amount Available for Payment of Bond Principal

GENERAL FIXED ASSETS

General fixed assets are fixed assets used in operations accounted for in governmental funds. General fixed assets include all fixed assets not accounted for in proprietary funds or in Trust and Agency Funds. There are three major types of general fixed assets transactions. They are:

- Acquisition of Fixed Assets;
- Depreciation of Fixed Assets;
- Removal of Fixed Assets.

Each of these areas is briefly described below.
Acquisition of Fixed Assets

Expenditures for fixed assets and construction-in-progress, and subsequent adjustment increases are usually recorded by Journal Vouchers based upon data received from DAGS Purchasing and Supply Division, Inventory Management Branch. Expenditures for fixed assets and completion of construction in progress are recorded by transaction codes 871 and 872:

**TC 871** To Record Investments In Fixed Assets And Subsequent Adjustment Increases (Fixed Assets Account Group)

*DR* XXX Various Fixed Assets or Construction-In-Progress  
*CR* 600 Investment in Fixed Assets

If transaction code 871 records construction-in-progress, the completion is recorded by transaction code 872:

**TC 872** To Record The Completion of Construction-In-Progress

*DR* XXX Various Fixed Assets  
*CR* 290 Construction Work-In-Progress

Depreciation of Fixed Assets

In accounting for depreciation, the cost of a fixed asset is prorated over the asset's estimated service life and each period is charged with a portion of such cost. Depreciation of fixed assets is recorded by transaction code 873:

**TC 873** To Record Depreciation of Various Fixed Assets And Subsequent Adjustment Increases

*DR* 600 Investment in Fixed Assets  
*CR* XXX Various Accumulated Depreciation

Removal of Fixed Assets

Removal of fixed assets and accumulated depreciation for disposal or sale is recorded by transaction codes 874 and 875:

**TC 874** To Record The Removal Of Various Fixed Assets For Disposal Or Sale

*DR* 600 Investment in Fixed Assets  
*CR* XXX Various Fixed Assets
The removal of the related accumulated depreciation is recorded by transaction code 875:

**TC 875**  To Record The Removal of Related Accumulated Depreciation For Fixed Assets Which Are Being Disposed Of Or Sold And Subsequent Adjustment Decreases Of Accumulated Depreciation

**DR**  XXX Various Accumulated Depreciation
**CR**  600 Investment In Fixed Assets

This transaction also records depreciation adjustment decreases.