

<b>R ★ STARS</b>	<b>Version 2.0</b>
<b>REFERENCE MANUAL EXPENDITURE CYCLE</b>	<b>8-1 12/94</b>

## **INTRODUCTION**

Accounting for expenditures is a critical activity in any governmental organization. The importance of accurately classifying and reporting costs can be demonstrated by the common demands of the government's citizens and external organizations to account for the purposes and types of expenditures. Furthermore, the budgetary emphasis in governmental accounting requires that full encumbrance accounting and, in some cases, pre-encumbrance accounting be performed. Finally, to satisfy the obligations to the people and businesses who provide goods and services to agencies, accurate and timely payments are required. These activities form the foundation of the expenditure cycle.

This chapter includes an overview of the expenditure cycle and then describes each accounting event in more detail in subsequent sections.

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## **8-1 EXPENDITURE CYCLE OVERVIEW**

The following paragraphs provide an overview of the steps involved in classifying, recording and reporting expenditures.

### **Profile Maintenance**

The first step in accounting for expenditures is recording or updating profile entries to define the valid data elements used to classify expenditures. The profiles which may need to be updated include:

- **Descriptive Profiles** - includes most of the classification elements in R ★STARS. Those that can be related to the expenditure cycle are listed below along with their profile maintenance screen:
  - Agency (D02)
  - Organization Code (D03)
  - Program Code (D04)
  - Fund (D23)
  - Function Code (D52)
  - Comptroller Object (D10)
  - Agency Object (D11)
  
- **Index Code Profile (24)** - infers the Organization structure when entering an Index Code on financial transactions. This profile also includes other data elements which may be looked up to reduce coding on transactions. These elements include:
  - Appropriation Number
  - Fund
  - Program Cost Account
  - Grant Number/Phase
  - Project Number/Phase
  - Agency Codes 1, 2 and 3
  - Multipurpose Code

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■ **Program Cost Account (PCA) Profile (26)** - looks up the Program structure and Function structure and may also be used to look up other elements to reduce coding, including:

- NACUBO Fund and Subfund (Higher Education Institutions only)
- Appropriation Number
- Fund
- Index
- Grant Number/Phase
- Project Number/Phase
- Agency Codes 1, 2 and 3
- Multipurpose Code
- RTI

■ **Payment Processing Profiles** - these profiles are centrally maintained; however, requests for changes are usually generated from agencies. These profiles include:

- Vendor Amount Limit (36)
- Disbursement Maintenance (41)
- Single Payment Cancellation (44)
- Document/Payment Range Cancellation (45)
- Payment Control Table Status Maintenance (47)
- Payment Distribution Type (D50)
- Payment Processing Control (D55)

See Chapter 5 - "Payment Processing" of the R★STARS System Management Guide for additional information.

■ **Agency Vendor Profile (34), Vendor Mail Code Profile (51) and Systemwide Vendor Profile (52)** - contains address, banking and other information necessary to process payments to vendors. *In Oregon, the Agency Vendor Profile (34) is not used for vendors the State pays.*

■ **Project Control Profile (27)** - defines the valid Phases, Agency Code 2 and expendable and billable budgets for each agency.

■ **Grant Control Profile (29)** - defines the valid Phases, Agency Code 1 and expendable and billable budgets for each agency.

■ **Grant Object Profile (D48)** - defines a grouping of Comptroller or Agency Objects.

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All of the elements which are used to classify expenditures must first be defined in one or more of these system profiles. Chapter 5 - "Descriptive Profile Maintenance" and Chapter 6 - "Non-Descriptive Profile Maintenance" of the R★STARS Data Entry Guide contains input coding instructions for these profiles.

### **Financial Data Entry**

After profile maintenance has been completed, expenditure cycle transactions can be entered into R★STARS. These transactions may enter R ★STARS through on-line data entry or through a subsystem interface. The various types of transactions which enter R ★STARS are referred to as accounting events. The capabilities associated with each of the accounting events in the expenditure cycle are briefly described below:

- **Pre-Encumbrances** - tracking pre-encumbrances as memorandum entries against appropriation balances and dependent upon an indicator in the Agency Control Profile (25) are tracked as either memorandum or reductions to agency budget balances.
- **Encumbrances** - liquidating pre-encumbrances when referenced on encumbrance transactions and tracking encumbrances against appropriation and agency budget balances.
- **Vouchers and Accounts Payable** - maintaining detail of outstanding accounts and vouchers payable and allowing the scheduling of payments for vouchers payable on scheduled payment dates.
- **Expenditures** - classifying expenditures against many elements, including Organization, Fund, Program, Function, Grant, Project and Object.
- **Disbursements** - automatically generating warrants or direct deposits for scheduled vouchers payable transactions and tracking manual warrant transactions.
- **Expenditure Transfers** - providing the ability to transfer expenditures to other agencies within the organization and record the recovery as either revenue or an expenditure reimbursement.

In addition to these accounting events, R ★STARS provides the ability to monitor and control expenditures and disbursements against available cash and budgetary balances.

Each topic is discussed in more detail in later sections of this chapter.

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## **8-2 PRE-ENCUMBRANCES AND ENCUMBRANCES**

Pre-encumbrance and encumbrance accounting enables agencies to track planned and actual expenditures against available budgetary balances.

The recording of pre-encumbrances is the first step in the expenditure cycle. Pre-encumbrances are typically recorded when there is an expected or projected commitment to purchase or pay for goods and services. They are recorded as memo amounts against appropriation budgetary balances for reporting purposes only. Pre-encumbrances do not reduce available appropriation spending authority.

Recording encumbrances is the next step in the expenditure cycle. Full encumbrance accounting is required for budgeted funds in governmental accounting. Encumbrances are recorded when purchase orders or contracts are signed and, as such, represent legal obligations to purchase goods or services.

*The State of Oregon has adopted a policy regarding pre-encumbrances and encumbrances. Please refer to the Oregon Accounting Manual.*

Entering and recording the impact of pre-encumbrances and encumbrances is described below.

### **Entering Pre-Encumbrances**

Pre-encumbrances may be recorded against any combination of elements in the classification structure. However, some or all the following elements may be required:

- Agency
- Index (may be looked up by PCA)
- PCA (may be looked up by Index)
- Appropriation Number (may be looked up by Index or PCA)
- Fund (may be looked up by Index or PCA)
- Comptroller Object

A Document Number is also required to uniquely identify the requisition in the Document Financial Table. The first two digits of each Pre-Encumbrance Document Number is defined in the Document Control Profile (33). This Document Number will need to be referenced when the encumbrance is recorded. See the section "Entering Encumbrances" on page 8-6 for more information.

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Pre-encumbrance transactions entering R ★STARS are not controlled against appropriation balances, however, they can be controlled against the agency budget as defined in the Agency Control Profile (25) by the Pre-Encumbrance Indicator.

### **Entering Encumbrances**

Encumbrances may be classified against any of the expenditure related data elements, including such elements as Grant or Project. However, some or all of the following elements may be required:

- Index (may be looked up by PCA)
- PCA (may be looked up by Index)
- Appropriation Number (may be looked up by Index or PCA)
- Fund (may be looked up by Index or PCA)
- Comptroller Object
- Vendor Number/Mail Code or Vendor Name

A Document Number is also required to identify the purchase order or contract in the Document Financial Table. The first two digits of each Encumbrance Document Number is defined in the Document Control Profile (33). A payment tolerance limit is also defined in the Document Control Profile (33) and accessed when voucher payable transactions are entered which reference encumbrances. This is discussed in more detail in Section 8-3 - "Accounts Payable." *The payment tolerance feature in the Document Control Profile (33) is not currently being used in Oregon.*

When an encumbrance is entered which was previously pre-encumbered, a Reference Document Number is also required to reference the pre-encumbrance. The elements on the encumbrance transaction may vary from the pre-encumbrance transaction as defined in the Agency Control Profile (25) by the Pre-Encumbrance Document Match Level Indicator as follows:

- **0** - No match of encumbrance input coding elements to elements on the pre-encumbrance required
- **1** - Encumbrance must match the original appropriation record only
- **2** - All encumbrance input coding elements must match elements on the pre-encumbrance

For example, under the indicator value of '1', the PCA on the pre-encumbrance may be different from the Index on the encumbrance as long as both PCAs look up the same Appropriation record.

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Encumbrance transactions are defined for both a Document Supported General Ledger Account and a Non-Document Supported General Ledger Account. The Non-Document Supported Encumbrance General Ledger Account 'Encumbrance Control/Non-Doc Support' does not update the Appropriation, Agency Budget, Grant, Project or Document Financial Tables in R★STARS. This General Ledger Account is used specifically for financial statement reporting at month and year-end.

Encumbrance transactions using the Document Supported General Ledger Account 'Encumbrance Control' can be controlled in R ★STARS against appropriations, agency budgets, grant expendable budgets and project expendable budgets. This control ensures that total encumbrances and expenditures do not cause budgetary balances to be exceeded. This control may be set to fatal, warning, or ignore independently on each of the above control areas.

The Pre-Encumbrance Indicator and Encumbrance Indicator in the Agency Control Profile (25) determine whether the agency budget authority is reduced or is not affected by such transactions. Chapters 7 - "Budgeting", 13 - "Project Accounting" and 14 - "Grant Accounting" in the R★STARS Data Entry Guide describe establishing budgetary control in more detail.

### **Recording the Accounting Impact**

Pre-encumbrance and encumbrance activity is recorded in the General Ledger, Appropriation, Agency Budget, Grant, Project and Document Tables. The impact in each of these tables is described below. Recording pre-encumbrance and encumbrance transactions have the following impact in the General Ledger Financial Table:

Record pre-encumbrance:

**DR Pre-Encumbrance Control**  
**CR Fund Balance Reserved for Pre-Encumbrances**

Record encumbrance previously pre-encumbered:

**DR Encumbrance Control**  
**CR Fund Balance Reserved for Encumbrances**

**DR Fund Balance Reserved for Pre-Encumbrances**  
**CR Pre-Encumbrance Control**

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Record encumbrance not previously pre-encumbered:

**DR Encumbrance Control**  
**CR Fund Balance Reserved for Encumbrances**

Decreases in the original document amounts have the reverse impact in the General Ledger Financial Table.

Pre-encumbrance and encumbrance activity is also recorded against the related appropriation and agency budget in the Appropriation and Agency Budget Financial Tables. These tables enable the tracking of requisitions, purchase orders and contracts against available spending authority.

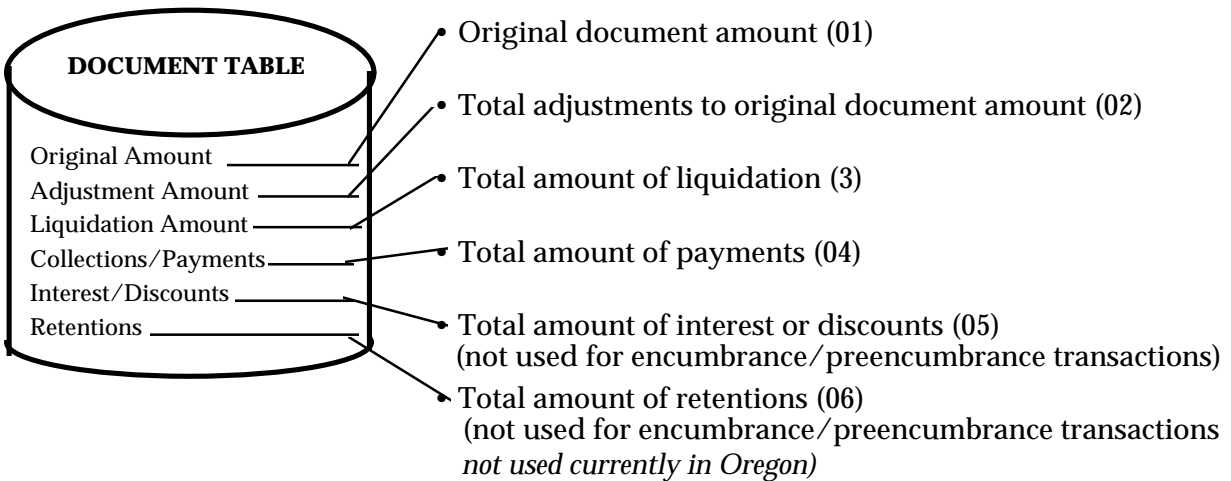
The Grant and Project Financial Tables are also posted when pre-encumbrance and encumbrance transactions contain a Grant Number/Phase and/or Project Number/Phase. This provides the ability to track outstanding requisitions, purchase orders and contracts against Grants/Phases and Projects/Phases.

These transactions are recorded in the Accounting Event Table to provide on-line inquiry and reporting capabilities of all outstanding activity for each vendor.

In R★STARS, the Document Financial Table is the primary tracking and control table for pre-encumbrances and encumbrances. In this table, a record is established for each Document Number entered for these types of transactions. The exhibit below shows the balance types maintained in this table. The original amount, adjustments, liquidations and payments are maintained separately.

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## DOCUMENT TABLE BALANCE TYPES



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### **8-3 ACCOUNTS PAYABLE**

Recording accounts payable in an accounting system serves two purposes: to recognize the expenditure and to record the related liability. This step in the expenditure cycle is required for accurate financial reporting. This section discusses the recording and tracking of accounts payable in R ★STARS. The next section describes more specifically the expenditure-related area.

#### **Entering Accounts Payable**

Accounts payable transactions are normally entered in conjunction with expenditures when there is a commitment to pay, rather than purchase, for goods or services received. These liabilities have not been vouchered and accounts payable transactions do not produce payments in the Payment Processing Subsystem of R ★STARS. Accounts payable may or may not be identified to a specific vendor depending upon the requirement of the transaction code being used.

A Document Number is required to uniquely identify the accounts payable transaction.

#### **Recording the Accounting Impact**

Account payable transactions are recorded in the General Ledger Table and the Accounting Events Table. Other tables are also posted when expenditures are involved, as described in Section 8-4 - "Expenditures and Payment Processing."

Recording accounts payable transactions typically have the following impact in the General Ledger Table:

**DR Expenditures Controlled - Accrued**  
**CR Accounts Payable**

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## **8-4 EXPENDITURES AND PAYMENT PROCESSING**

Recording vouchers payable and disbursement transactions is the most frequent activity in any organization. The proper classification of expenditures is critical to meet the needs of both internal and external reporting requirements. Generating payments and recording other disbursement activity is also important to any accounting system. This section describes the following:

- **Classifying Expenditures** - using the R ★ STARS classification structure to identify the purpose and type of expenditures
- **Entering Vouchers Payable and Disbursements** - recognizing expenditures, generating warrants and/or direct deposits and recording manual warrant activity
- **Recording the Accounting Impact** - recording voucher payable and disbursement transactions in the R ★ STARS tables

### **Classifying Expenditures**

Expenditure transactions may be classified in many ways. Typically, four classification elements must be recorded on expenditure transactions to meet budgetary and GAAP requirements. These classification elements are:

- **Fund** - to identify the fiscal accounting entity
- **Organization** - to identify the cost gathering within an agency (looked up by Index)
- **Program** - to identify the purpose of the expenditure (looked up by PCA)
- **Comptroller Object** - to identify the type of expenditure

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In addition to these basic requirements, the following elements may be used to further classify expenditures:

- Function
- NACUBO Fund (higher education institutions only)
- NACUBO Subfund (higher education institutions only)
- Agency Object
- Agency Code 1
- Agency Code 2
- Agency Code 3
- Grant Number and Phase
- Project Number and Phase
- Multipurpose Code
- RTI

Each agency must determine its unique needs in classifying expenditures. Various combinations of these elements may be required. For example, an agency responsible for accounting for various projects would enter a Project Number and Phase on each expenditure transaction related to the project to enable accumulation in the system of the project's expenditures. Another agency may require the tracking of expenditures by Grant Number and Phase.

### **Entering Vouchers Payable and Disbursements**

Vouchers Payable and disbursement transactions fall into three categories:

- Recording vouchers payable
- System-generated payments (regular and expedite warrants or direct deposits)
- Recording manual warrants

Each area is discussed below.

#### **Recording Vouchers Payable**

Expenditure transactions may be recorded against any combination of the elements listed above.

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A Document Number and Suffix, together with a Vendor Number and Mail Code uniquely identify vouchers payable in R ★STARS. Most vendor information necessary for processing expenditures and generating a payment is established and maintained in one of the R ★STARS vendor profiles. These profiles may be either systemwide or agency -defined.

The first digit of the Vendor Number identifies the type of vendor. Vendor Numbers beginning with a '0' (zero) are agency -defined in the Agency Vendor Profile (34). Payments against local funds are allowed to use agency -defined vendors only and must be manual warrants. *This feature is not used in Oregon.* Vendor Numbers beginning with '1' or greater are systemwide defined in the Systemwide Vendor Profile (52) and the Vendor Mail Code Profile (51). The Payment Processing Subsystem generates payment transactions.

Previously encumbered expenditures are entered with a Reference Document Number which references the purchase order or contract. This facilitates the automatic liquidation of the encumbrances. The liquidation may be partial or final, as indicated by the Modifier Code. This code may be entered on the transaction or left blank. If left blank, it defaults to 'P' (partial). *In Oregon, it is required by the Transaction Code to be entered.*

Liquidation amounts may be different from the resulting payment amount. For example, if a purchase order is entered for \$1000 and the invoice is \$950, the encumbrance may be fully liquidated for \$1000 by setting the Modifier Code to 'F' (final), even though the payment amount is \$950. R ★STARS will record the actual payment amount in the appropriate balance type in the Document Financial Table as well as recording the liquidation for the full amount. This is also true when the final payment is higher than the liquidation. The liquidation amount will not exceed the sum of the beginning balance plus adjustments.

Two elements exist in the Document Control Profile (33) to ensure that the amount by which the expenditure differs from the encumbrance falls within a tolerable range:

- **Tolerance Amount (\$)** - ensures that for each expenditure transaction which was previously encumbered at the document level, that the expenditure must fall within a specific dollar amount of the encumbrance to be allowed to process in R ★STARS.
- **Tolerance Percentage (%)** - ensures that for each expenditure transaction which was previously encumbered at the document level, that the expenditure must fall within a specific percentage of the encumbrance to be allowed to process in R ★STARS.

*Tolerance Amounts and Tolerance Percentages are not currently being used in Oregon.*

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When expenditures were previously encumbered, the elements entered on the expenditure may be different from those entered on the encumbrance as defined in the Agency Control Profile (25) Encumbrance/Pre-Encumbrance Document Match level Indicators. The elements on the expenditure transaction may vary as follows:

- **0** - No match of expenditure input coding elements to elements on encumbrance/pre-encumbrance required
- **1** - Expenditure must be matched to original appropriation record only
- **2** - All expenditure input coding elements must match all the elements on the encumbrance/pre-encumbrance

For example:

- If the appropriation record is at the Appropriated Fund Level, the Funds may vary.
- If the appropriation record is at the Comptroller Object level, the Agency Objects may vary.
- If the appropriation record is at the Program level, the PCAs may vary as long as they both look up the same Appropriation Program structure.
- If the appropriation record is at the Agency level, the Indexes may vary.

When these rules are violated, the expenditure transaction is flagged with a fatal error.

Expenditure transactions are also controlled against available budgetary balances. These budgetary balances include appropriations, agency budgets, grant expendable budgets if a grant code is entered and project expendable budgets if a Project code is entered. The severity of control may be set to fatal, warning, or ignore. Chapters 7 - "Budgeting", 13 - "Project Accounting" and 14 "Grant Accounting" in the R★STARS Data Entry Guide describe establishing budgetary control.

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### **System-Generated Payments**

R★STARS automatically generates warrants or direct deposits for vouchers payable which have been approved and released to Payment Processing. When warrants or direct deposits are written, the system generates transactions which are recorded in the R ★STARS financial tables to reflect the disbursement. A Document Number, Fund (identifying the fund for which the liability was recorded), Agency and Vendor Number/Mail Code are included on these transactions.

The payment is processed on the due date, which is entered on the expenditure transaction entry screen. If a Due Date is not entered, the payment is processed when the transaction is posted and approved. In R ★STARS, the posting of a transaction is controlled by the Effective Date on the transaction. To illustrate the use of the Due Date, an example of posting vendor invoices paid through a direct deposit is provided. Assume that the payment is due to the vendor by 10/30/94, so the system will select this payment when the Due Date equals the Effective Date plus the Number of Advance Payment days for Direct Deposits in the System Management Profile (97). (Warrants will be selected when their Due Date equals SM Effective Date plus Advance Payment days for warrant/check). *As indicated on the System Management Profile (97), payments will be generated 3 days in advance of the due date in Oregon.*

For this illustration assume the Advance Payment Days field is '3'.

	<u>Date</u>	<u>Description</u>
Day 1 Friday	10/20/94	Expenditure transaction is entered/posted with a Due Date of 10/30/94.
Day 2 Friday	10/27/94	During the Batch IEU cycle, the payment process is executed and payment transactions are created posted successfully.
Day 3 Monday	10/28/94	Transmittal tape for direct deposit is available to present to the bank or the check is mailed to the vendor.

Holidays impact the Advance Payment Days Calculation by adding to the to the Advance Payment Days.

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It should be noted that vendors can be put on hold for outstanding liabilities to the organization, such as franchise tax, student loans and child support. The Payment Processing Subsystem checks the hold reason code in the Vendor Mail Code Table to determine whether payments to the given vendor are "on hold." If a vendor is "on hold", payments are generated but sorted and held by the Control Accounting Section of the State Controller's Division.

Transactions can be combined for warrants or direct deposits across Documents, Appropriated Funds, or Batch Agencies, thus reducing the number of payments made to a single vendor. The use of the Payment Distribution Type (PDT) together with the Payment Processing Control Profile (D55) determines the extent of the combining process for Documents, Appropriated Funds and Batch Agencies. It also determines the type of distribution (e.g., regular payment warrant, direct deposit, wire transfer). A two digit PDT value can be defined to combine transactions according to agency needs. *In Oregon, the default PDT for most vendors (MA) will combine across Documents, Appropriated Funds and Batch Agencies and warrants will be centrally mailed.*

Payment Sort Key values defined in Payment Processing Control Profile (D55) will determine the order of payment sorting for the system. There are 15 valid values available for the user to define how the system will sort payments.

The system also generates a remittance advice to support each warrant payment. This advice contains a line for each Remit Sort key defined in Payment Processing Control Profile (D55). There are 10 valid values available for the user to define the information contained in each line, and the sequence of those values.

The payment processing component runs at the discretion of the Control Accounting Section of the State Controller's Division. Runs may occur during the work day which process transactions where the Disbursement Method Indicator (DMI) has been coded or changed to 'E' (expedite). The nightly run processes all transactions that are ready for payment.

Only authorized users can change the DMI on payment transactions to an 'E' (expedite) to generate emergency warrants. This change can only be made for a document or a single vendor within a given document. Transactions must be error free and have gone through IEU if entered in edit mode 0 or 1 before they can be expedited. Transactions entered in edit mode 2 must pass on-line edits. The transactions are ready to expedite (if error free) immediately. Only payment transactions with a DMI of 'E' can be expedited. One expedite run is performed each day.

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Authorized users can also cancel payments which have been issued through the Payment Processing Cycle. Direct Deposit payments cannot be canceled once the transmit date for the direct deposit has passed. There are four ways to cancel previously issued payments:

1. Single Payment Cancellation - payments are cancelled by Payment Number
2. Cancellation by range of Payment Numbers
3. Cancellation by Document ID (Agency, Document Number and Fiscal Year). This applies only to documents that generate payments
4. Stop Payment - payments are stopped by Payment Number

*Agencies request cancellations through DAS and stop pays through the Treasury.*

### **Recording the Accounting Impact**

Expenditure and disbursement transactions are recorded in nearly all of the R ★STARS tables. The General Ledger Table is impacted differently depending upon the type of transaction being entered. One of the most common transactions is an Expenditure Previously Encumbered.

Entered transaction:

**DR Expenditure Control - Accrued**  
**CR Vouchers Payable**

**DR Fund Balance - Reserved for Encumbrances**  
**CR Encumbrance Control**

System-generated liquidation transaction:

**DR Vouchers Payable**  
**CR Cash on Deposit with Treasurer**

**DR Expenditure Control - Cash**  
**CR Expenditure Control - Accrued**

**DR Payments Outstanding Offset**  
**CR Payments Outstanding**

System-generated redemption transaction:

**DR Payments Outstanding**  
**CR Payments Outstanding Offset**

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Other voucher payable transactions charge General Ledger Accounts such as Revenue Control - Accrued, Prepaid Items and Merchandise Inventories.

The Accounting Event Table is the primary source for responding to inquiries from vendors regarding their outstanding bills with the user. In the table, vouchers payable transactions are recorded at the transaction level. That is, each transaction affecting a permanent vendor is separately recorded. Encumbrance and disbursement transactions are also recorded in this table. *In some cases in Oregon (i.e. Payroll transactions) no accrued expenditures are posted; cash expenditures are posted directly. See specific Transaction Codes for differences.*

### **Manual Warrants**

Emergencies may occur which require an agency to request a manual warrant. These warrants cannot wait until transactions are entered into R ★STARS and the Payment Processing Subsystem is run. When users prepare warrants manually, transactions are recorded to recognize the expenditure and cash disbursement. The Payment Number is recorded on each transaction and the DMI is set to 'M' for manual. *At this time, the State of Oregon will not be using manual warrants.*

### **Wire Transfers**

Infrequent occasions may arise that require payment by wire transfer. *Oregon Policies and Procedures Manual addresses the process for wire transfers.*

### **Tables Related to Expenditures**

The following tables are related to expenditures:

- Appropriation and Agency Budget Tables
- Accounting Event Table
- Grant and Project Tables

Each table is discussed below.

### **Appropriation and Agency Budget Tables**

Expenditures are recorded in the Appropriation and Agency Budget Tables for budgetary control and reporting. The Appropriation Table is used to control expenditures against available appropriation balances.

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The Agency Budget Table is used in a similar manner; expenditures are summarized at the level of agency budget control. The control levels for both appropriations and agency budgets may vary for each Object, Organization, Program and Fund. Additionally, agency budgets may be established at an even lower level of detail by including Function, Grant and Project. Therefore, expenditures may be tracked at one level for appropriations and another level for agency budgets.

### **Accounting Event Table**

The Accounting Event (AE) Table maintains expenditure data at the transaction level. Each transaction creates a separate record in the AE Table. The AE Table is actually a General Ledger by transaction level file. The exhibit on page 8- 20 illustrates this table.

### **Grant and Project Tables**

Expenditure transactions containing Grant and Project Numbers/Phases are posted to the Grant and Project Tables. In these tables, expenditures are summarized at the level defined by the Expenditure Object Posting Level Indicators in the Grant Control Profile (29) and Project Control Profile (27).

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### TRACING EXPENDITURE TRANSACTIONS

**Expenditure Transaction is Entered. 1**

EXPENDITURE TRANSACTION ENTRY SCREEN					
TC	INDEX	COBJ	PROJ	PH	AMOUNT
225	10000	4200	012730	92	250.00

TRANSACTION CODE DECISION PROFILE	
T/C	225
DR 3501 EXPENDITURE CONTROL ACCRUED	

**2** Transaction Code is used to look-up General Ledger Account

INDEX CODE PROFILE	
INDEX	10000
APPROPRIATION	03500
PCA	60014
FUND	0001
AGENCY	350
ORG CODE	1000

**3** Index Code is used to look-up Appropriation number and Fund and PCA (unless entered on the transaction), and organization structure (Alternately, PCA can look up Index or both PCA and Index can be entered)

PROGRAM COST ACCOUNT PROFILE	
PCA	60014
PROGRAM CODE	3520
FUNCTION CODE	1000

**4** PCA is used to look-up program and function structures

**Each of these elements is recorded in the Accounting Event Table in addition to other elements**

**5**

EVENT ACCOUNTING TABLE	
Agency	350
General Ledger Account	5501
Project Number	012730
Project Phase	92
Index	10000
PCA	60014
Org Code	1000
Fund	0001
Appropriation	03500
Program Code	3520
Comptroller Object	4200
Function Code	1000

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## **8-5 EXPENDITURE TRANSFERS**

There are instances in which an agency will transfer expenditures from one funding source to another. When this happens, the expenditure is transferred to the new coding block to be disbursed using an expenditure transfer. Transfers may be made from any classification structure element to another (e.g., Agency, Object, Fund, Grant, etc.)

### **Recording the Accounting Impact**

Expenditure transfer transactions are recorded in each of the tables discussed in Section 8-4, Expenditures and Disbursements, for which any expenditure transaction is recorded. These tables include the General Ledger, Appropriation, Agency Budget, Grant, Project and Accounting Events Tables. For expenditure transfers recorded, the General Ledger Financial Table impact is as follows:

Fund transfer out:

**DR   Cash on Deposit with Treasurer**  
**CR   Expenditure Control - Cash**

Fund transfer in:

**DR   Expenditure Control - Cash**  
**CR   Cash on Deposit with Treasurer**

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