

OREGON ACCOUNTING MANUAL

Subject: Accounting and Financial Reporting	Number: 05.10.00
Division: State Controller's Division	Effective date: February 12, 2008
Chapter: Relational Statewide Accounting and Reporting System (R*STARS)	
Part: Overview	
Section:	
Approved: John Radford, State Controller	Signature on file at SCD

R*STARS as System of Record

- .101 The Relational Statewide Accounting and Reporting System (R*STARS) is Oregon's official accounting system. With limited exceptions, all primary government agencies record their accounting transactions in R*STARS. In a few instances, agencies may record transactions initially into another accounting system and interface those transactions to R*STARS.

R*STARS Structure

- .102 The Statewide Financial Management Application (SFMA) consists of two parts: R*STARS and the Advanced Purchasing and Inventory Control System (ADPICS). ADPICS is used for purchase processing and interfaces with R*STARS.
- .103 There are eight data classification structures within R*STARS:
- Fund
 - General ledger
 - Object
 - Appropriation
 - Program
 - Organization
 - Project
 - Grant

The first four of these are the key structures used in statewide financial reporting and budgeting. The last four are established at the agency level.

- .104 Agencies are responsible for designing and setting up a structure in R*STARS, including fund, program, organization, project and grant elements as appropriate.

OREGON ACCOUNTING MANUAL	
SUBJECT: Accounting and Reporting	Number: 05.20.00
DIVISION: Chief Financial Office	Effective date: January 22, 2018
Chapter: Relational Statewide Accounting and Reporting System (R*STARS)	
Part: Fund and Appropriation Structure and Usage	
Section:	
APPROVED: George Naughton, Chief Financial Officer	Signature on file

PURPOSE: This policy provides information about the fund and appropriation structure in R*STARS as well as information about the proper use of special revenue and proprietary GAAP fund types.

AUTHORITY: **ORS 293.590**
 NCGA Statement No. 1
 GASB Statement No. 34
 GASB Statement No. 54

APPLICABILITY: This policy applies to all state agencies included in the state’s annual financial statements, except for those agencies specifically exempted by **OAM 01.05.00**.

DEFINITIONS: **Fund:** A fiscal and accounting entity (with a self-balancing set of accounts used to record cash, other assets, liabilities, and equity balances) segregated to carry out specific activities or achieve specific objectives as directed by law, restrictions, or limitations.

GAAP fund: The fund level used for financial reporting purposes. In R*STARS, each D23 fund rolls up to a pre-determined GAAP fund that is designated on the D23 screen fund profile. A GAAP fund typically incorporates multiple D23 funds.

Appropriated fund: The budgeted source of funding, including general funds, federal funds, lottery funds, or other funds. It also includes funding for capital improvement, capital construction, and debt service, if applicable.

Stabilization fund: An account for amounts formally set aside in case of emergencies, revenue shortfalls, or budgetary imbalances. Those amounts are subject to controls that dictate the circumstances under which they can be spent. Authority to set aside those amounts comes from the Oregon Constitution or the Oregon Revised Statutes. The specific circumstances under which the state may spend these amounts are expected to occur infrequently.

Click here for other [definitions](#).

POLICY:

101. Agency management is responsible for establishing and maintaining appropriate fund and appropriation structures in **R*STARS**, the state's central financial system.

PROCEDURES:

Establishing a Fund Structure in R*STARS

102. Complete the D23 Fund Profile form to establish a new fund structure in R*STARS.
<http://www.oregon.gov/das/Financial/AcctgSys/Pages/forms.aspx>
103. Include the source of funding, appropriation number, GAAP fund, appropriated fund, documentation of the legal authority, and other requested information. Submit the form and related documentation to Statewide Financial Management Services (SFMS).
<http://www.oregon.gov/das/Financial/AcctgSys/Pages/analysts.aspx>
104. Prior to setting up the fund, SFMS will ask the appropriate Statewide Accounting and Reporting Services (SARS) analyst to verify the GAAP fund and the GASB 54 code, if applicable.
105. Use the information below to determine the appropriate GAAP fund and appropriated fund.

GAAP Funds

106. **Governmental GAAP Funds:** The state uses **governmental GAAP funds** to report governmental activities, many of which are tax-supported. Governmental GAAP fund types include the **General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds**. D23 funds that close to governmental GAAP funds use the current financial resources measurement focus and the modified accrual basis of accounting.
107. **General Fund:** Use this GAAP fund to account for and report all financial resources not accounted for and reported in another GAAP fund.
108. **GASB 54 General Fund:** Use this GAAP fund to account for and report D23 funds that are not budgeted as General Fund, yet do not meet the accounting requirements to be reported in any of the other GAAP fund types.
109. **Special Revenue Funds:** Use this GAAP fund type to account for and report the proceeds of specific revenue sources if:
 - a. Those revenues are restricted or committed for specific purposes (other than debt service and capital projects), and
 - b. The total of the restricted and committed revenues comprise a substantial portion of the GAAP fund's inflows. (For this purpose, the state considers 30 percent or more of total inflows to be substantial.)

In addition, the agency must expect the restricted and committed revenues to continue to comprise a substantial portion of the total inflows going forward. Refer to Appendix C of this policy for specific instructions on how to determine if a D23 fund should be reported in a special revenue GAAP fund or the GASB 54 General Fund.

110. **Capital Projects Fund:** Use this GAAP fund to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including acquisition or

construction of capital facilities and other capital assets. Do not use the Capital Projects GAAP Fund to account for capital outlays financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

*NOTE: Report D23 funds used to account for capital projects financed through **General Fund appropriations** in the General Fund rather than the Capital Projects GAAP Fund.*

111. **Debt Service Funds:** Use this GAAP fund type to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. A debt service GAAP fund must be used if:

- a. Legally mandated, or
- b. Financial resources are being accumulated to pay principal and interest maturing in the future.

*NOTE: Report D23 funds used to account for debt service financed through **General Fund appropriations** in the General Fund rather than the Debt Service GAAP Funds.*

112. **Permanent Fund:** Use this GAAP fund to account for and report resources that are restricted to the extent that only the earnings, and not the principal, may be used to support programs for the benefit of the government or citizens.

113. **Proprietary Funds:** The state uses **proprietary GAAP funds** to report business-type activities similar to private sector operations. Proprietary GAAP fund types include **enterprise funds** and the **internal service funds**. D23 funds that close to proprietary GAAP funds use the economic resources measurement focus and the accrual basis of accounting.

114. **Enterprise Funds:** Use this GAAP Fund type to report any activity for which an agency charges a fee to external users for goods or services. Agencies *must* use an enterprise GAAP fund if any of the following criteria applies:

- a. The activity is financed with debt that is secured solely by a pledge of the net revenue from fees and charges of the activity.
- b. Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
- c. The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

115. **Internal Service Funds:** Use this GAAP fund type to report activities that provide goods or services to other funds, state agencies, or the state's component units on a cost-reimbursement basis. Generally accepted accounting principles specify using either an internal service fund or the General Fund to report risk financing activities (insurance programs). The state reports its risk financing activities in the Central Services GAAP fund.

116. **Fiduciary Funds:** The state uses **fiduciary GAAP funds** to report resources the state holds in a fiduciary capacity as an agent or trustee. Fiduciary fund types include **pension and other employee benefit trust funds, investment trust funds, private purpose trust funds, and agency funds**. D23 funds that close to fiduciary GAAP funds use the economic resources

measurement focus and the accrual basis of accounting, except for agency funds, which have no measurement focus.

117. **Government-wide Reporting Fund:** The state uses the **government-wide reporting GAAP fund** to convert governmental fund activities to the economic resources measurement focus and full accrual basis of accounting. This conversion allows the capital assets, long-term liabilities, certain deferred inflows of resources, and certain deferred outflows of resources associated with governmental funds to be reported in the state's government-wide financial statements.
118. Refer to Appendix A for a list of GAAP funds, including descriptions.

Appropriated Funds

119. The Chief Financial Office, Statewide Audit and Budget Reporting Section (SABRS), controls the appropriation structure in R*STARS. SABRS establishes appropriation numbers in R*STARS for General Fund revenue, General Fund appropriations, and all **limitations**; each five-digit appropriation number represents a line item in the legislatively approved budget.
120. The appropriation numbering scheme designates the funding source: general funds, federal funds, lottery funds, and other funds.
 - 3XXXX Other funds and non-limited other funds
 - 4XXXX Lottery funds
 - 6XXXX Federal funds and non-limited federal funds
 - 7XXXX General Fund revenue
 - 8XXXX General Fund appropriation

Each appropriation number is tied to an appropriated fund.

121. The state uses separate appropriated funds to track capital projects. Capital projects include expenditures that increase the value of capital property, extend the useful life, or adapt the property to a different use. Use a *capital improvement* appropriated fund (XX10), if the project is budgeted at less than \$1,000,000. Use a *capital construction* appropriated fund (XX20), if the project is budgeted for \$1,000,000 or more.
122. The state also uses separate appropriated funds to track debt service activity. Debt service includes expenditures for principal and interest on bonds and certificates of participation (XX30).
123. Refer to Appendix B for a list of the appropriated funds, including descriptions.

Stabilization Funds

124. The state maintains two stabilization funds. The Legislature appropriates these resources only when specific circumstances related to economic or revenue conditions exist.
125. ORS 293.144 authorizes the Oregon Rainy Day fund. The fund (agency 999; D23 fund 2700) accounts for resources that have been transferred from the General Fund according to state law. Because these resources do not derive from specific restricted or committed revenue sources, the state reports this D23 in the General Fund, but has given it an individual GAAP fund (0055) for ease of tracking the balance .
126. The Oregon Constitution, Article XV, Section 4, authorizes the Education Stability Fund. The fund (agency 107; D23 fund 4750) accounts for net lottery proceeds that have been set aside to

support public education. The state reports this fund in the Educational Support GAAP Fund (a special revenue GAAP fund).

Disclosure Requirements

127. SARS prepares the Budgetary Statement of Legal Compliance (BSLC) in conjunction with preparation of the **Comprehensive Annual Financial Report** (CAFR). The BSLC displays budgetary compliance at the legal level of control, i.e., it compares budgeted and actual expenditures at the appropriation number level.
128. SARS also presents budgetary comparison schedules in the CAFR. These schedules compare budgeted expenditures to actual expenditures by funding source. SARS includes only those appropriated funds that are subject to appropriation or limitation.

Appendix A
GAAP Funds - DRAFT

General Fund

Purpose

0001	General Fund	Used to account for General Fund revenues and expenditures, including debt service and capital projects funded by General Fund appropriations.
0054	GASB 54 General Fund	Governmental activities that are not budgeted as General Fund, yet do not meet the accounting requirements to be reported in other GAAP funds.
0055	Oregon Rainy Day Fund	A stabilization fund which accounts for resources that have been transferred from the General Fund (GAAP 0001) in accordance with state law. These resources, along with investment income generated, can be appropriated by the Legislature only when certain criteria related to economic or revenue conditions have been met. Because these resources do not derive from a specific restricted or committed revenue source, the state reports this fund in the CAFR as part of the General Fund.

Special Revenue Funds

Purpose

1101	Agricultural Resources Fund	Programs related to the promotion, inspection, and regulation of the state's agricultural industry.
1102	Business Development Fund	Programs that expand existing businesses as well as attract and promote new businesses.
1103	Community Protection Fund	Activities that help to ensure the safety of the state's citizens and their property through the courts, police, military, and correctional facilities.
1104	Consumer Protection Fund	Programs that regulate existing businesses and license various professionals and organizations.
1105	Educational Support Fund	Programs that provide students with opportunities to develop their academic abilities to the fullest from early childhood to postgraduate research, not including activities accounted for in the Common School Fund.
1106	Employment Services Fund	Programs that provide workers with a safe and secure workplace.
1107	Environmental Management Fund	Programs that promote, protect, and preserve the state's forests, parks, wildlife, fish, and waterways.
1108	Health and Social Services Fund	Programs that provide assistance, services, training, and healthcare to individuals and families who do not have sufficient resources to meet their basic needs.
1109	Nutritional Support Fund	Programs to improve the diets of low-income households and school children.
1110	Other Special Revenue Fund	Programs that do not match any of the other special revenue fund definitions.

**Appendix A
GAAP Funds - DRAFT**

1111	Public Transportation Fund	The planning, design, construction and maintenance of highways, roads, bridges and public systems relating to air, water, rail, and highway transportation.
1112	Residential Assistance Fund	Programs that help to meet the housing and energy needs of low-income Oregonians.
1113	Common School Fund	Programs to manage state-owned land, including a leasing program that generates annual revenues, for the benefit of the public school system. Also includes funds that become the property of the state, such as estate funds, unclaimed property, and income derived from unclaimed property.

Debt Service Funds

Purpose

2001	Revenue Bond Fund	The accumulation of resources for payment of debt service on revenue bonds not reported in proprietary funds.
2002	Certificates of Participation Fund	The accumulation of resources for payment of debt service on certificates of participation not reported in proprietary funds.
2003	General Obligation Bond Fund	The accumulation of resources for the payment of debt service on general obligation bonds not reported in the General Fund, other governmental funds, or proprietary funds.

Capital Projects Fund

Purpose

3001	Capital Projects Fund	The expenditure of resources for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
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Enterprise Funds

Purpose

4001	Housing and Community Services Fund	Activities that finance multi-family rental housing and single-family mortgages for low to moderate-income families.
4002	Veterans' Loan Fund	Activities to finance owner-occupied, single-family residential housing for qualified eligible Oregon veterans.
4003	Energy Loan Fund	Activities to provide low-interest loans for renewable energy resource and energy conservation projects.
4005	Business Development Fund	Resources used to finance land, buildings, machinery, and permanent working capital for eligible activities including those determined to diversify an economic base.
4006	Special Public Works Fund	Loans and grants to local governments for construction of infrastructure required to support needed public services.
4007	State Hospitals Fund	Operation of state hospitals and state residential group homes that provide treatment services for specific citizens as well as training and care for developmentally disabled persons.
4008	Lottery Operations Fund	Operation of the Oregon State Lottery which markets and sells Lottery products to the public.

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4009	Liquor Control Fund	Operation of the Oregon Liquor Control Commission that regulates the sale and use of alcoholic beverages and promotes responsible alcohol use.
4011	Standard Retiree Health Insurance (SRHIA) Fund	Operation of the PERS healthcare program, a public entity risk pool.
4013	Other Enterprise Funds	Sales of goods and services to the public not specifically accounted for in another enterprise fund.
4014	Veterans' Home Fund	Operation of the Oregon Veterans' Home, which provides skilled nursing and Alzheimer's disease care to some of Oregon's most vulnerable veterans.
4015	Unemployment Compensation Fund	Federal moneys and unemployment assessments collected from employers to provide payment of benefits to the unemployed.
4017	Water/Wastewater Financing Fund	Loans and grants to municipalities to improve compliance with federal and state water quality standards.
4018	Safe Drinking Water Fund	Low-cost financing for construction and/or improvements of public and private water systems.

Internal Service Funds

Purpose

5001	Central Services Fund	Services provided to state agencies such as accounting, budgeting, personnel, mail and shuttle, purchasing, printing, copy center, data center, property development, telecommunications, motor pool, and an insurance fund.
5002	Legal Services Fund	Activities of the Attorney General's office to represent and advise the state's elected and appointed officials, agencies, boards, and commissions.
5003	Banking Services Fund	Activities of the Oregon State Treasury to provide banking, investment, and debt management services to state agencies.
5004	Audit Services Fund	Activities of the Secretary of State, Audits Division, to provide independent auditing services to state agencies.
5005	Forestry Services Fund	Activities of the Department of Forestry to operate an equipment and maintenance pool that provides transportation, heavy equipment, and aircraft support for operating programs and other state agencies.
5006	Health Services Fund	Activities of the Public Employees Benefit Board (PEBB) and of the Human Services/Health Authority shared services organization.
5007	Other Internal Service Funds	Sales of goods and services to other state funds or agencies through activities not specifically accounted for in another internal service fund.

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GAAP Funds - DRAFT

**Pension and Other Employee
Benefit Trust Funds**

Purpose

6100	Public Employees Defined Benefit Pension Plan Fund	Activities of the defined benefit portion of the Oregon Public Service Retirement Plan (OPSRP) administered by the Public Employees Retirement System (PERS) under Oregon Revised Statutes, Chapter 238, and Internal Revenue Code (IRC) Section 401(a).
6102	Deferred Compensation Plan Fund	Activities of the Oregon Savings Growth Plan, an IRC Section 457 deferred compensation plan offered to employees of the state and administered by PERS.
6103	Individual Account Program Defined Contribution Pension Plan Fund	Activities of the defined contribution portion of the OPSRP administered by PERS.
6105	Retirement Health Insurance Account (RHIA) OPEB Plan Fund	Activities of the RHIA cost-sharing, multiple-employer Other Postemployment Benefit (OPEB) plan administered by PERS. The RHIA is a defined benefit OPEB plan established pursuant to IRC Section 401(h). The plan authorizes a payment of up to \$60 towards the monthly cost of health insurance for eligible PERS members participating in PERS-sponsored health insurance plans.
6106	Retiree Health Insurance Premium Account (RHIPA) OPEB Plan Fund	Activities of the RHIPA single-employer OPEB plan administered by PERS. The RHIPA is a defined benefit OPEB plan established pursuant to IRC Section 401(h). The plan authorizes payment to eligible retired state employees of the average difference between the health insurance premiums paid by retirees, under contracts entered into by the PERS Board, and health insurance premiums paid by state employees who are not retired.

Agency Funds

Purpose

6405	Custodial Agency Funds	Resources held in an agent or custodial capacity for other governments or entities outside of the state. It includes all agency funds except those used to hold resources for other funds or other agencies within the state.
6406	Clearing Agency Funds	Balances intended for other funds or other agencies. It is cleared for year end reporting.

Investment Trust Funds

Purpose

6501	Short Term Investment Trust Fund	The local government portion of the cash and short-term investment pool managed by the Oregon State Treasury.
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GAAP Funds - DRAFT**

6502	Intermediate Term Investment Trust Fund	Portion of an intermediate-term fixed income investment pool belonging to entities other than state agencies, managed by the Oregon State Treasury
6503	Local Government Intermediate Investment Trust Fund	Intermediate-term investment pool, exclusively for local governments needing a longer investment term, managed by the Oregon State Treasury.

Private Purpose Trust Fund

Purpose

7002	Private Purpose Trust Fund	Accounts for all trust arrangements, other than those properly reported in pension and other employee benefit trust funds or investment trust funds, under which principal and income benefit specific individuals, private organizations, or other governments. The assets of private purpose trust funds are not owned by state government.
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Permanent Fund

Purpose

7505	Permanent Fund	Resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the state's programs.
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Government-Wide Reporting Fund

Purpose

8500	Government-Wide Reporting Fund	Long-term accounts and transactions used to convert governmental funds to a full accrual basis for reporting in the government-wide financial statements.
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**Appendix B
Appropriated Funds - DRAFT**

<u>Other Funds</u>		<u>Purpose</u>
3010	Other Funds Capital Improvements	Capital improvements funded with other funds.
3020	Other Funds Capital Construction	Capital construction funded with other funds.
3200	Other Funds Non-limited	Expenditures made with other funds that are not subject to expenditure limitation by the Legislature.
3230	Other Funds Debt Service Non-limited	Other funds used to pay principal, interest and other debt service that is not subject to legislative limitation.
3400	Other Funds Limited	Expenditures made with other funds that are subject to legislative limitation except for capital improvements, capital construction, and debt service.
3430	Other Funds Debt Service Limited	Other funds used to pay principal, interest, and other debt service that is subject to legislative limitation.
3600	Other Funds Non-budgeted	Expenditures made with other funds that are not included in the budget process.
<u>Lottery Funds</u>		<u>Purpose</u>
4010	Lottery Funds Capital Improvements	Capital improvements funded with lottery moneys.
4020	Lottery Funds Capital Construction	Capital construction funded with lottery moneys.
4400	Lottery Funds Limited	Expenditures made with lottery moneys except for capital improvements, capital construction, and debt service.
4430	Lottery Funds Debt Service Limited	Lottery moneys used to pay principal, interest, and other debt service.
<u>Federal Funds</u>		<u>Purpose</u>
6010	Federal Funds Capital Improvements	Capital improvements funded with federal funds.
6020	Federal Funds Capital Construction	Capital construction funded with federal funds.
6200	Federal Funds Non-limited	Expenditures made with federal funds that are not subject to legislative limitation.
6230	Federal Funds Debt Service Non-Limited	Federal funds used to pay principal, interest and other debt service that is not subject to legislative limitation.
6400	Federal Funds Limited	Expenditures made with federal funds except for capital improvements, capital construction, and debt service.

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6430	Federal Funds Debt Service Limited	Federal moneys used to pay principal, interest, and other debt service.
6600	Federal Funds Non-budgeted	Expenditures of federal funds that are not included in the budget process.
<u>General Fund</u>		<u>Purpose</u>
8000	General Fund	Expenditures funded by General Fund appropriation except capital improvements, capital construction, and debt service.
8010	General Fund Capital Improvements	Capital improvements funded by General Fund appropriations.
8020	General Fund Capital Construction	Capital construction funded by General Fund appropriation.
8030	General Fund Debt Service	Principal, interest, and other debt service paid with the General Fund.
8800	General Fund Revenue	General Fund revenue received by the state.
9998	Government-Wide Reporting Fund	Used in conjunction with GAAP fund 8500, Government-Wide Reporting Fund.

Appendix C - DRAFT
A Guide for Analyzing Special Revenue Funds
Under GASB Statement No. 54

INTRODUCTION

Special revenue funds account for and report the proceeds of **specific revenue sources** that are **restricted or committed** to expenditure for **specified purposes** other than debt service or capital projects.

The term "proceeds of specific revenue sources" means that one or more specific restricted or committed revenues should be the foundation of a special revenue fund. The restricted or committed proceeds of specific revenue sources must comprise a substantial portion of the "inflows" reported in the fund. For state financial reporting purposes, the substantial portion test is met if total restricted and committed revenues comprise at least 30 percent of the total inflows of a GAAP-level special revenue fund.

Agencies do not need to review their special revenue funds every year. Instead, the determination of whether an activity is appropriately reported in a special revenue fund is based on the agency's expectation that the inflows used in the calculations will continue to be available in the future in roughly the same percentages.

There is one caveat. The question of whether an activity is appropriately reported in a special revenue fund should be reexamined each time an agency requests a new D23 fund that rolls up to a special revenue GAAP fund. The agency will need to estimate the inflows of the new D23 fund and then complete the test at the GAAP fund level.

*NOTE: The process of determining if a new D23 fund may be classified as a special revenue fund is independent of the process of determining the appropriate fund balance classification, which is discussed in Appendix A of OAM 15.85.00, Fund Equities. **Determine the appropriate fund balance category first; then perform the special revenue fund test.***

SPECIAL REVENUE GAAP FUNDS

Step 1: Does the new D23 fund account for activities that are normally associated with one of the special revenue GAAP funds listed below?

If the answer is **YES**, go to Step 2 to determine whether to report this activity in a special revenue fund.

If the answer is **NO, STOP!** This process does not apply.

1101	Agricultural Resources	1108	Health and Social Services
1102	Business Development	1109	Nutritional Support
1103	Community Protection	1110	Other
1104	Consumer Protection	1111	Public Transportation
1105	Educational Support	1112	Residential Assistance
1106	Employment Services	1113	Common School Fund
1107	Environmental Management		

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A Guide for Analyzing Special Revenue Funds
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TRANSFERS-IN

Step 2: Are transfers-in the only source of inflows in the new D23 fund?

If the answer is **NO**, go to Step 3.

If the answer is **YES**, see the options below:

Option 1: Designate GAAP Fund 0054 (GASB 54 General Fund) as the GAAP fund for the new D23 fund without further analysis. The Capital Projects GAAP fund or a debt service GAAP fund may also be used, if appropriate.

Option 2: If you prefer not to report the new D23 fund in GAAP Fund 0054, the Capital Projects GAAP fund, or a debt service GAAP fund, go to Step 3 to perform the special revenue fund test. (The D23 fund may qualify to be reported in a special revenue GAAP fund based on one condition: after adding the inflows of the new D23 fund, the restricted and committed revenues at the GAAP fund level still meet the 30 percent test.)

Caution: If resources have been transferred between D23 funds within the same GAAP fund, eliminate those transfers so that the same inflows are not counted twice.

EXAMINE REVENUE SOURCES (The Special Revenue Fund Test)

Step 3: Determine the special revenue GAAP fund that most closely aligns with the expected activities of the new D23 fund.

Step 4: Use the G54 codes (OAM 15.85.00) of the D23 funds currently reported in the special revenue GAAP fund identified in Step 1 to prepare an analysis of the GAAP fund's inflows. Segregate the revenue sources as restricted, committed, or assigned.

Caution: Remember that all revenues are inflows, but not all inflows are revenues. Transfers-in are "other financing sources" for financial reporting. Do not include them as revenues for purposes of this test. (Inflows = Total Revenues + Total Transfers-in)

Step 5: Add the expected inflows of the new D23 fund to the analysis.

Caution: Remember to determine the proper fund balance classification and GASB 54 code(s) for the new D23 fund before performing the special revenue fund test. (Refer to Appendix A of OAM 15.85.00.)

Step 6: Add total restricted and committed revenue sources together and determine their combined percentage of the total inflows. Do the total restricted and committed revenue sources represent 30 percent or more of the total inflows?

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A Guide for Analyzing Special Revenue Funds
Under GASB Statement No. 54

Step 6 (cont'd.)

If the answer is **YES**, report the new D23 fund in the special revenue GAAP fund. No further action is required.

If the answer is **NO**, do not report the new D23 fund in a special revenue GAAP fund. Instead, report the D23 fund in the GASB 54 General Fund, the Capital Projects GAAP Fund, or a debt service GAAP fund, as appropriate.

Example 1

GAAP FUND XXXX		
Description of Inflows	Amount	Revenue Type
Business taxes	300	Restricted
Other fees	100	Committed
<i>Subtotal restricted/committed</i>	400	
Transfers-in from lottery	4600	Not a revenue
<i>Total inflows</i>	5000	
Total restricted/committed revenues: <u>400</u> Total inflows: 5000	8%	Percentage must be 30% or greater.

In this example, the activity should not be reported in a special revenue GAAP fund. Although total inflows (\$5,000) are considered restricted or committed *resources*, restricted or committed *revenues* (\$400/\$5,000) represent only 8 percent of total inflows.

Example 2

GAAP FUND XXXX		
Description of Inflows	Amount	Revenue Type
Business taxes	200	Restricted
Other fees	175	Committed
<i>Subtotal restricted/committed</i>	375	
Miscellaneous revenues	875	Assigned
<i>Subtotal revenues</i>	1250	
Transfers-in from lottery	300	Not a revenue
<i>Total inflows</i>	1550	
Total restricted/committed revenues: <u>375</u> Total inflows: 1550	24%	Percentage must be 30% or greater.

In this example, the activity should not be reported in a special revenue GAAP fund. Although total revenues make up 81 percent (\$1,250/\$1,550) of total inflows, restricted or committed revenues make up only 24 percent of total inflows (\$375/\$1,550).

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A Guide for Analyzing Special Revenue Funds
Under GASB Statement No. 54

Example 3

GAAP FUND XXXX		
Description of Inflows	Amount	Revenue Type
Business taxes	400	Restricted
Other fees	500	Committed
<i>Subtotal restricted/committed</i>	900	
Miscellaneous revenues	100	Assigned
<i>Subtotal revenues</i>	1000	
Transfers-in from lottery	500	Not a revenue
<i>Total inflows</i>	1500	
Total restricted/committed revenues: <u>900</u> Total inflows: 1500	60%	Percentage must be 30% or greater.

In this example, the activity is appropriately reported in a special revenue GAAP fund because 60 percent of the inflows are restricted or committed revenues (\$900/\$1,500).

OREGON ACCOUNTING MANUAL

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Chapter: **Relational Statewide Accounting and Reporting System (R*STARS)**

Part: **General Ledger and Object Structure**

Section:

Approved: John Radford, State Controller

Signature on file at SCD

Authority **ORS 291.015**
ORS 293.590
ORS 293.595

Maintenance of General Ledger and Object Tables

- .101 Statewide Financial Management Services (SFMS) Operations is responsible for maintaining the general ledger and comptroller object tables in the Relational Statewide Accounting and Reporting System (R*STARS). Statewide Accounting and Reporting Services will provide advice and assistance to SFMS Operations to ensure that general ledger and comptroller object definitions are in accordance with generally accepted accounting principles.

Agency Management's Responsibility

- .102 Agency fiscal management is responsible for ensuring that fiscal staff make appropriate decisions regarding the use of general ledger accounts and comptroller objects, in order to ensure the accuracy and consistency of statewide financial reporting.

OREGON ACCOUNTING MANUAL

Subject: Accounting and Financial Reporting

Number: 05.30.00.PR

Division: State Controller's Division

Effective date: February 12, 2008

Chapter: **Relational Statewide Accounting and Reporting System (R*STARS)**

Part: **General Ledger and Object Structure**

Section:

Approved: John Radford, State Controller

Signature on file at SCD

Recording Entries in R*STARS

- .101 The D31 comptroller General Ledger (GL) account is the level at which general ledger entries to the Relational Statewide Accounting and Reporting System (R*STARS) are posted. These accounts include the assets, liabilities, equities and changes in equities for all agencies on R*STARS. The comptroller GL account rolls up to a GAAP account class (D14). The GAAP account class is the level used by Statewide Accounting and Reporting Services (SARS) to prepare the State's financial statements for the Comprehensive Annual Financial Report (CAFR). A complete listing of the general ledger accounts, with definitions, is at [OAM 60.10.00](#).
- .102 The D10 comptroller object is the level at which nominal account entries – revenues, transfers and expenditures/expenses – are posted to R*STARS. These comptroller objects roll up to the GAAP source/object (D08), which is the level used for preparation of the operating statements in the CAFR. A complete listing of the comptroller objects and GAAP source/objects is at [OAM 60.20.00](#).
- .103 All accounting information is recorded into R*STARS by way of transaction codes. The transaction code designates which general ledger account and comptroller object will be posted. Transaction codes are defined in the Transaction Code Profiles in R*STARS (28A and 28B screens).
- .104 For guidance in transaction code selection, refer to [OAM 05.35.00.PO](#) and [OAM 05.35.00.PR](#), R*STARS, Transaction Code Structure, and OAM Resources. Statewide Financial Management Services (SFMS) maintains the detailed [T-Codes](#) listings as a resource on the SFMS website.

OREGON ACCOUNTING MANUAL

Subject: Accounting and Financial Reporting	Number: 05.35.00.PO
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Chapter: Relational Statewide Accounting and Reporting System (R*STARS)	
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Authority **ORS 291.015**
ORS 293.590
ORS 293.595

Maintenance of Transaction Code Profiles

- .101 Statewide Financial Management Services (SFMS) Operations is responsible for maintaining the transaction code profiles in the Relational Statewide Accounting and Reporting System (R*STARS). Statewide Accounting and Reporting Services will provide advice and assistance to SFMS Operations to ensure that transaction code profiles are established in accordance with **generally accepted accounting principles**.

Agency Management's Responsibility

- .102 Agency fiscal management is responsible for ensuring that fiscal staff make appropriate decisions regarding the use of transaction codes in order to ensure the accuracy and consistency of statewide financial reporting.

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 GASB Statement No. 38

Transaction Code Selection

- .101 This procedure identifies various factors to consider in transaction code selection, including a general description of the related structural framework in the Relational Statewide Accounting and Reporting System (R*STARS). (Statewide Financial Management Services (SFMS) maintains the detailed [T-Codes](#) listings as a resource on the SFMS website.)
- .102 Before a transaction is recorded; consideration should be given to the following:
 - a. The financial tables to which the transaction will post.
 - b. The balance type the system will use to post to the financial tables.
 - c. The nature of the transaction and the underlying event.
 - d. The general ledger accounts intended to be impacted by the transaction.
 - e. The revenue, expenditure, or transfer objects intended to be impacted.
 - f. The measurement focus and basis of accounting of the fund in which the transaction should be recorded.

Design Concepts

- .103 Transaction codes are three digit alpha/numeric codes that determine the accounting impact of financial transactions in R*STARS. Under the single transaction concept, the full range of classification data affected by the transaction and the consequence it has on the system's financial tables are identified at the time a transaction is recorded. Transaction codes are defined by two profiles, the 28A – Transaction Code Decision Profile and 28B – Transaction Code Description Profile. Each accounting event is identified by a transaction code, which defines the general ledger impact (debit and credit accounts) and postings to the financial tables. The transaction code profiles also indicate whether specific data elements are required, optional, or not allowed.

- .104 The 28A Transaction Code Decision Profile indicates the following:
- a. Specifies the general ledger accounts impacted by the transaction.
 - b. Identifies the data element coding and editing requirements of each accounting event.
 - c. Identifies the financial table postings, which determine how transactions are stored in the system for later inquiry and reporting purposes.
 - d. Specifies what balance types the transaction posts to the financial tables.
 - e. Identifies if the transaction will produce a warrant.
 - f. Specifies the posting sequence of the transaction during the batch processing cycle.
- .105 The 28B Transaction Code Description Profile indicates the following:
- a. Provides a narrative of the transaction code and the effects of its use.
 - b. Identifies the valid document types for the transaction.
 - c. Identifies the valid batch types.
 - d. Provides an option to include or exclude specific comptroller objects or object ranges to be used with the transaction code.
 - e. Provides an option to include or exclude specific general ledger account ranges that can be entered on the transaction.

Financial Tables

- .106 Financial transactions entered into R*STARS are stored in financial tables for later inquiry and reporting. The transaction code indicates the financial tables to which the transaction will post and the balance type the system will use to post to the tables. The 28A Transaction Code Decision Profile provides posting indicators for the following financial tables:
- DF Document Financial Contains the balance of each outstanding pre-encumbrance, encumbrance, accounts receivable, and due to/from account.
 - AP Appropriation Contains appropriation balances and revenue, expenditure, pre-encumbrance, and encumbrance balances.
 - AB Agency Budget Contains agency budget balances and revenue, expenditure, and encumbrance balances on a program, organization, fund, and/or object basis.
 - CC Cash Control Contains the balance of available cash by fund, cash fund, or appropriated fund, and provides the ability to control and monitor cash disbursements at a defined level of detail.
 - GP Grant Contains the budgets, expenditures, revenues, and transfers in and out related to a particular grant.
 - PJ Project Contains the budgets, expenditures, revenues, and transfers in and out related to a particular project.

- .107 Each of these financial tables contains several balance types. The system uses the balance types to accumulate all of the financial data together, regardless of general ledger account. Balance types are defined on the D05 Balance Type Profile, subdivided by TABLE ID (for example DF). Some balance types that commonly appear on the 28A Transaction Code Decision Profile in the file posting indicator fields are:

12 Cash Revenue	18 Encumbrances Outstanding
14 Accrued Revenue	20 Transfer In – Cash
15 Cash Expenditures	21 Transfer Out – Cash
17 Accrued Expenditures	

Numerical Ranges

- .108 Transaction codes are grouped by type of transaction. Determining the appropriate range can narrow the search for a particular transaction code.

001-080	Budgetary Transactions
101-199	Revenue, Receipt, and Receivable Transactions
200-299	Pre-encumbrances, Encumbrances, Expenditures, and Disbursements
301-395	System Generated Transactions
398-399	Deposit Liability Reclassification Transactions
400-599	Journal Vouchers (Including Capital Assets)
601-683	SFMA Maintenance Transactions
685-691, 779-795, 996-998	Specialty T-Codes (Central and Agency Specific)
692-697	Balanced Transactions Between Agencies
700-705	Treasury Interface Entries
706-743, 748-765, 866-874	Interagency Transactions
744-747, 800-845, 881-895	Agency Specific Transactions
766-778	Suspense Account Transactions
850-863	Payroll/Mass Transit Transactions
900-949	Fiscal Year End Transactions
950-960	ADPICS Interface Transactions
961-995	Automatic Reversal Transactions

General Ledger Accounts

- .109 General ledger accounts contain the records needed to reflect the financial position and results of operations of the State. When determining what transaction code to use, consider the following in relation to general ledger accounts:
- General ledger accounts that say document supported or billed mean that they are tracked in the document financial table. The document financial table tracks balances of documents at a lower level than general ledger accounts. Non-document supported/unbilled accounts may be used to record summary information when an agency retains its own subsidiary system or does not need a subsidiary record.
 - Certain general ledger accounts allow for further definition at the agency level. If the general ledger edit type on the D31 profile for a comptroller general ledger account contains an “A”, agencies may set up an agency general ledger account on the D32 profile to provide greater detail for that comptroller general ledger account.
 - When the general ledger accounts listed below are used, the transaction code will require that an agency general ledger account be used. The agency general ledger account used in this case is not one established in the D32 Agency General Ledger profile. Rather, the agency general ledger account is a cross reference of the agency numbers and funds involved in the transaction. The agency general ledger is an

eight-digit field. The first three digits are the agency number of the other agency. The next four digits are the D23 fund of the other agency. The final digit is always zero. (Also see [OAM 15.45.10](#) Interfund Services, Reimbursements, and Transfers.)

- 0586 – Due From Other Funds/Agencies
 - 0950 – Advances To Other Funds/Agencies
 - 1532 – Due To Other Funds/Agencies
 - 1800 – Advances From Other Funds/Agencies
- d. Some transaction codes allow a choice of general ledger account. If the first debit or credit on a transaction code is left open (blank in the debit or credit field on the 28A screen), the user must fill in the general ledger account number when the transaction is entered. The “optional general ledger” accounts permitted by the transaction code are listed on the 28B screen.
- e. Some transaction codes allow the general ledger accounts to be posted in reverse of the way they are shown on the 28A screen. In other words, the general ledger account that is shown as a debit may be credited and vice versa. If the transaction edit indicator field “RVRS” on the 28A screen is blank, the user may input an “R” on the transaction. This causes the general ledger accounts to post the reverse of what would normally be posted to the financial tables.

Revenue, Expenditure, and Transfer Objects

- .110 Comptroller objects are use to classify revenues, expenditures, transfers. When determining what transaction code to use, consider the information in paragraphs .111 through .116 in relation to comptroller objects.
- .111 The two profiles applicable to objects are the D10, comptroller object profile and the D11, agency object profile. Agencies wanting greater detail may define agency objects. Each agency object profile is tied to an associated comptroller object so that during data entry, the agency object that is entered determines the comptroller object for the transaction.
- .112 Transaction codes that are used to record revenues, expenditures and transfers typically use control general ledger accounts. Certain general ledger accounts act as control accounts that accumulate the detailed revenue, expenditure, or transfer transactions for posting. Objects are designated as revenue, expenditure, transfer, other, or statistics on the D10 comptroller object profile. The designation on the D10 profile must be consistent with the designation on the D31 general ledger control account profile when used in a transaction. For example, a personal income taxes revenue object may only be used with a general ledger control account associated with revenue objects. Some general ledger control accounts are:
- 3100 Revenue Control – Cash
 - 3101 Revenue Control – Accrued
 - 3150 Operating Transfers In Control
 - 3200 GAAP Revenue Offset
 - 3500 Expenditure Control – Cash
 - 3501 Expenditure Control – Accrued
 - 3550 Operating Transfers Out Control
 - 3600 GAAP Expenditure Offset
- .113 Governmental Accounting Standards Board (GASB) Statement No. 38 requires that detailed information about interfund and interagency transfers be disclosed. In order to be able to comply with the disclosure requirements, a cross reference number, referred to as GASB 38 code, is required in transactions involving transfers between funds or agencies (D10 comptroller objects 1279-1403, 1430, 1456, 1801-1914, and distributions to state agencies, D10 comptroller objects 6081-6200). The format of the eight-digit GASB 38 code is AAFFFF0, where AAA is the other agency and FFFF is the applicable D23 fund of the other agency involved in the transaction, followed by a zero.

- .114 The comptroller or agency object used in a transfer requires particular attention. Distributions to other state agencies are budgeted as expenditures and roll up to Special Payments to State Agencies. Special Payments to State Agencies are treated as transfers for financial reporting purposes. Special Payments to State Agencies objects should not be used if the transaction involves loans, the sale of goods or services between funds, or repayments to a fund for expenditures or expenses initially made from it that should be charged to a different fund since these items are not appropriately reported as transfers. Special Payments to State Agencies are posted to general ledger account 3500, Expenditure Control – Cash, rather than to general ledger account 3550, Operating Transfers Out Control. Consequently, on a transaction by transaction basis, general ledger account 3150, Operating Transfers In Control for the receiving agency, will not necessarily balance with general ledger account 3550 Operating Transfers Out Control for the agency making the transfer. In order to ensure transfers balance statewide, Special Payments to State Agencies are reclassified to Operating Transfers Out during financial statement compilation.
- .115 Comptroller objects 1279 through 1456 are transfer objects, with the following exceptions, which are revenue objects:
- 1404 Transfer to Cities
 - 1405 Transfer to Counties
 - 1407 Transfer to Oregon Health and Science University
 - 1408 Transfer to Nongovernmental Units
 - 1435 Transfer to Semi Independent Agency
- .116 Because the exceptions listed in .115 above are revenue comptroller objects, transaction amounts associated with these objects are considered budgeted revenue distributions rather than budgeted expenditures. Therefore, a reclassification from revenue to expenditure is required during financial statement compilation.

Measurement Focus and Basis of Accounting

- .117 In some instances, the measurement focus and **basis of accounting** for the GAAP fund in which a transaction is being recorded will impact transaction code selection. Governmental funds (for example, the general fund and special revenue funds) use a current resources measurement focus and the modified accrual basis of accounting. Proprietary funds (for example enterprise funds and internal service funds) on the other hand, use a total financial resources measurement focus and accrual basis of accounting. Generally accepted accounting principals require that certain transactions be accounted for differently in the different fund types. Accordingly, certain transaction codes are designed to be used only in governmental funds and certain transaction codes are designed to be used only in proprietary funds. When selecting a transaction code, care should be taken to make sure the transaction code is appropriate for the GAAP fund type. In most cases, a transaction code that is designed for use in a specific fund type will include the fund type in the transaction code title or in the transaction code description. For information regarding measurement focus and basis of accounting as well as a list of GAAP funds by associated fund type, refer to **OAM 05.20.00.PR**, Fund and Appropriation Structure.
- .118 Some transactions codes that are permissible in all fund types allow general ledger accounts that are not appropriate in all fund types. Transaction codes 474 and 475 each allow a wide range of general ledger accounts and are used for reclassifications in all fund types. Care should be taken to make sure that the general ledger account selected in an entry using these transaction codes is appropriate to the fund type. Capital asset and long-term liabilities general ledger accounts would not be used in governmental funds, for example.

Reference Materials

- .119 Statewide Financial Management Services (SFMS) maintains the detailed **T-Codes** listings as a resource on the SFMS website to assist in transaction code selection. For greater detail and

further illustration, refer to the R*STARS training manual at <http://www.oregon.gov/das/Financial/AcctgSys/Pages/trngmanual.aspx>.

- .120 A mainframe report (the DAFQ28CO) is available that displays transaction codes numerically and includes information from the 28A and 28B profiles.
- .121 A mainframe report is also available (DAFQA010) that lists alpha/numeric transaction codes by general ledger account. Note that one limitation of using this report is that the transaction codes will only appear when the general ledger account is one of the debits or credits on the 28A profile. This report will not list a transaction code if one of the debits or credits is left open and the user must fill in the general ledger account number when the transaction is entered.