CHAPTER E

GAAP OFFSET TRANSACTIONS

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CAPITAL ASSET TRANSACTIONS

TC 537: **Eliminate Excess Asset Value/Record Loss; Record Donated Assets in Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To remove asset value greater than accumulated depreciation (book value) against Gain/Loss revenue account. Use transaction codes (TC) 573 and 574 to remove the asset balance equal to the accumulated depreciation. If the asset is sold, TC 537 and 149 (Cash Receipts on Sale of Asset) determine the net gain or loss on disposal. The GAAP Revenue Offset eliminates that portion of gain (loss) recorded with TC 149 that doesn't represent a true gain or loss.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

At the time the asset is disposed of (sold, scrapped or surplus)

Transaction:
DR   3200   GAAP Revenue Offset
      Requires Comptroller Object:
      2330   Gain (Loss) on Disposition of Assets
      2331   Gain (Loss) on Leased Assets
      2333   Gain (Loss) on Subscription-Based IT Assets
      2334   Gain (Loss) on Public-Public or Public-Private Partnerships
      2400   Contributions to Permanent Funds
      2550   Capital Contributions
CR   *General Ledger Account Required:*
      0811   Works of Art and Historical Treasures-No Depreciation
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      0823   Leased Data Processing Hardware
      0824   Leased Tunnels and Bridges
      0825   Leased Airports
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      0845   Docks, Dikes, and Dams
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      0849   Land Use Rights (Amortized)

	0850	Land
	0852	Buildings and Building Improvements
	0856	Land Improvements
	0860	Construction in Progress – Highway System
	0861	Construction in Progress
	0862	Leasehold Improvements
DR	3018	Invested in Capital Assets
CR	3074	Change in Capital Assets

Related Transactions:

TC 149: Cash receipts from the sale of capital assets
TC 537: Remove net asset value against gain (loss) account
TC 573: Remove accumulated amortization/depreciation
TC 574: Remove asset value

TC 542: **Accumulated Depreciation/Amortization in Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record depreciation or amortization of capital assets in a proprietary, fiduciary or government-wide reporting fund. This entry records an expense for GAAP purposes with an offset to accumulated depreciation or amortization. This transaction does not affect budgetary expenses (does not appear on non-GAAP operating statements).

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Monthly, quarterly, or at least once a year in Month13.

Transaction:

DR   3600   GAAP Expenditure Offset
Requires Comptroller Object (see Credit for correct object - shown in italics)
CR   *General Ledger Account Required:*

	0865	Accum Amortization - Land Use Rights *(7474 Amortization of Other Capital Assets)*
	0866	Accum Amortization - Other Intangible Assets *(7474 Amortization of Other Capital Assets)*
	0867	Accum Depreciation - Land Improvements *(7476 Depreciation Expense)*
	0868	Accum Amortization - Data Processing Software *(7478 Amortization Expense - Software)*
	0869	Accum Depreciation - Equipment and Machinery *(7476 Depreciation Expense)*
	0870	Accum Amortization - Leasehold Improvements *(7475 Amortization of Leasehold Improvements)*
	0872	Accum Depreciation - Motor Vehicles *(7476 Depreciation Expense)*
	0873	Accum Depreciation - Data Processing Hardware *(7476 Depreciation Expense)*
	0875	Accum Depreciation - Buildings and Building Improvements *(7476 Depreciation Expense)*
	0876	Accum Depreciation - Art and Historical Treasures *(7476 Depreciation Expense)*

0880   Accum Depreciation - State Highways
        (7476 Depreciation Expense)
0881   Accum Depreciation - Tunnels and Bridges
        (7476 Depreciation Expense)
0882   Accum Depreciation – Airports
        (7476 Depreciation Expense)
0883   Accum Depreciation - Utility Systems
        (7476 Depreciation Expense)
0884   Accum Depreciation - Docks, Dikes, and Dams
        (7476 Depreciation Expense)
0885   Accum Depreciation - Other Roads
        (7476 Depreciation Expense)
0886   Accum Amortization – Leased Equipment and Machinery
        (7480 Amortization Expense - Leased Equipment and Machinery)
0887   Accum Amortization – Leased Motor Vehicles
        (7481 Amortization Expense - Leased Motor Vehicles)
0888   Accum Amortization – Leased Data Processing Hardware
        (7482 Amortization Expense - Leased Data Processing Hardware)
0889   Accum Amortization – Leased Tunnels and Bridges
        (7483 Amortization Expense - Leased Tunnels and Bridges)
0890   Accum Amortization – Leased Airports
        (7484 Amortization Expense - Leased Airports)
0891   Accum Amortization – Leased Docks, Dikes, and Dams
        (7485 Amortization Expense - Leased Docks, Dikes, and Dams)
0892   Accum Amortization – Leased Land
        (7486 Amortization Expense - Leased Land)
0893   Accum Amortization – Leased Buildings
        (7487 Amortization Expense - Leased Buildings)
0894   Accum Amortization – Leased Other Assets
        (7488 Amortization Expense - Leased Other Assets)
0895   Accum Amortization – Subscription-Based IT Arrangements
        (7488 Amortization Expense – Leased Other Assets)
0896   Accum Amortization – Public-Public and Public-Private Partnerships
*(7488 Amortization Expense – Leased Other Assets)*DR   3018   Invested in Capital Assets
CR   3074   Change in Capital Assets

Related Transactions:
TC 939: Fiduciary funds only – remove Invested in Capital Assets

TC 545:   Capital Asset Acquisition and Adjustment; Construction in Progress Adjustment; Capital Asset Impairment - Proprietary, Fiduciary, and Government-wide Reporting Funds

Usage:

To record the purchase, increase or adjustment of an asset in a proprietary, fiduciary or government-wide reporting fund. Also to capitalize or adjust the balance of Construction in Progress. (Do not use this TC to move capitalized Construction in Progress to the appropriate capital asset account; use TC 540.) The effect of this entry is to capitalize costs of capital assets or incomplete construction. For GAAP financial statement purposes, the GAAP Expenditure Offset eliminates the capital outlay expenditures or the expenses of capital construction paid during the fiscal year. Use TC 545R to record impairment loss.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Monthly, quarterly, or at least once a year in Month 13. It is recommended that entries be made quarterly in keeping with the schedule of agency reconciliation of capital asset additions to capital outlay. If there is incomplete construction at the end of the year, there will certainly be an entry in Month 13, as information for month 12 will not be available until after close.

Transaction:

DR   *General Ledger Account Required (usual comptroller object):*
    0811   Works of Art and Historical Treasures - no depreciation
            (5120/5125 Works of Art & Historical Treasures)
    0812   Works of Art and Historical Treasures - depreciation
            (5120/5125 Works of Art & Historical Treasures)
    0815   Equipment and Machinery
            (5100/5105 Office Furniture and Fixtures)
            (5150/5155 Equipment and Machinery)
            (5200-5205 Telecommunications)
            (5250/5255 Technical Equipment)
            (5400/5405 Household and Institutional Equipment)
            (5450/5455 Industrial and Heavy Equipment)
            (5500/5505 Aircraft)
            (5600/5605 Agricultural Equipment and Machinery)
            (5905 Other Capital Outlay)
    0816   Motor Vehicles
            (5170/5175 Motor Vehicles)
    0817   Data Processing Software
            (5300-5305 Data Processing Software)
    0818   Data Processing Hardware
            (5350-5355 Data Processing Hardware)
    0819   Subscription-Based IT Arrangements
            (5356 IT Asset Acquired Under Subscription)
    0820   Other Intangible Assets (Amortizable)
            (5915 Other Intangible Assets)
    0821   Leased Equipment and Machinery
            (5770/5775 Leased Property)
    0822   Leased Motor Vehicles
            (5770/5775 Leased Property)
    0823   Leased Data Processing Hardware
            (5770/5775 Leased Property)
    0824   Leased Tunnels and Bridges
            (5770/5775 Leased Property)
    0825   Leased Airports
            (5770/5775 Leased Property)
    0826   Leased Docks, Dikes, and Dams
            (5770/5775 Leased Property)
    0827   Leased Land
            (5770/5775 Leased Property)
    0828   Leased Buildings
            (5770/5775 Leased Property)
    0829   Leased Other Assets

　　　　0830　Public-Public or Public-Private Partnership Assets
　　　　　　　(5357 PPP Assets)
　　　　0839　Other Intangible Assets (Not Amortizable)
　　　　　　　(5915 Other Intangible Assets)
　　　　0840　State Highways
　　　　　　　(5925 State Highways)
　　　　0841　Other Roads
　　　　　　　(5935 Other Roads)
　　　　0842　Tunnels and Bridges
　　　　　　　(5945 Tunnels and Bridges)
　　　　0843　Airports
　　　　　　　(5955 Airports)
　　　　0844　Utility Systems
　　　　　　　(5965 Utility Systems)
　　　　0845　Docks, Dikes, and Dams
　　　　　　　(5975 Docks, Dikes, and Dams)
　　　　0848　Land Use Rights (Not Amortized)
　　　　　　　(5725 Land Use Rights)
　　　　0849　Land Use Rights (Amortized)
　　　　　　　(5725 Land Use Rights)
　　　　0850　Land
　　　　　　　(5730 Land)
　　　　0852　Buildings and Building Improvements
　　　　　　　(5805 Buildings and Improvements)
　　　　0856　Land Improvements
　　　　　　　(5705 Land Improvement)
　　　　0860　Construction in Progress Highway System
　　　　　　　(5925 State Highways)
　　　　0861　Construction in Progress
　　　　　　　(Because various expenditure objects may be used for recording the costs of a state-built project, comptroller objects 3111-5999, 6201-7415 may be used with this T-Code.)
　　　　0862　Leasehold Improvements
　　　　　　　(5755 Leasehold Improvements)
CR　　3600　GAAP Expenditure Offset
　　　　　　　Requires Comptroller Object (See Debit for usual object - shown in italics)
　　　　　　　Because various expenditure objects may be used for recording the costs of a state-built project, comptroller objects 3111-5999, 6201-7415 may be used with this T-Code. Comptroller object for Gain or Loss on Capital Asset Impairment is 7510 and Insurance Recovery Subsequent to Loss is 7511.
DR　　3074　Change in Capital Assets
CR　　3018　Invested in Capital Assets

Related Transactions:
TC 540: Move Construction in Progress to capital asset account
TC 900/901: Capital assets transferred between funds/agencies
TC 939: Fiduciary funds only – remove Invested in Capital Assets

RECEIVABLES TRANSACTIONS

Governmental, Proprietary, and Fiduciary Funds – Loans and Advances Receivable

TC 145: **Collection of a Noncurrent Loan Receivable – Governmental, Proprietary, and Fiduciary Funds**

Usage:

To record a payment received on a noncurrent loan receivable that was established with TC 458. This transaction adjusts the receivable. Loan repayment revenue is reported for budgetary purposes. For financial statement purposes, the GAAP Revenue Offset eliminates the revenue.

Affects:

Trial Balance, Budgetary and GAAP Operating Statements

Record on R*STARS:

When loan repayment is received (this is the proper cash receipt TC for this type of transaction).

Transaction:
DR   3200   GAAP Revenue Offset
CR   0931   Loans Receivable
DR   0065   Unreconciled Deposit
CR   3100   Revenue Control - Cash
       Requires Comptroller Object:
       1101   Housing Division Loan Repayments
       1102   Veterans' Loan Repayments
       1103   Senior Citizen Property Tax Repayments
       1104   Other Loan Repayments

Related Transactions:
TC 455: To write off an uncollectible noncurrent loan receivable. An allowance account has already been established.
TC 458: To Establish/Adjust Noncurrent Loan Receivable All funds.
TC 473: To Establish/Adjust Noncurrent Loan Receivable
TC 474/474R: To reclassify Noncurrent Loan Receivable to Current (and back)

TC 458: **Establish/Adjust Noncurrent Loan Receivable -– Governmental, Proprietary, and Fiduciary Funds**

Usage:

To record or adjust a noncurrent loan receivable in all fund types. For financial reporting purposes, the GAAP offset eliminates the expenditure that was recorded when the loan was originally disbursed. Use TC 458R and GL 0936 to record an allowance for uncollectible amounts. This also allows an agency to record an Advance from Component Units using an expenditure offset.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

The receivable should be recorded when the loan is issued. Allowance for uncollectibles should be recorded at least once a year. Month 13 would be an appropriate period for this.

Transaction:
DR *General Ledger Account Required:*
    0431   Loan Receivable - Current
    0931   0936Allowance for Noncollectible Receivables - CurrentLoans Receivable
    0936   Allowance for Uncollectible-Noncurrent-Loan Receivable
    0951   Advances to Component Units
    1805   Advances From Component Units
CR   3600   GAAP Expenditure Offset
    Requires Comptroller Object
    Comptroller objects 3111-5999 and 6201-7415 may be used; however, the object used when the loan was originally disbursed should be used here. Please consider using a "Loans Made" object to disburse the loan. Those comptroller objects are 6850, 6870, and 6875. Use Comptroller object 7479 Bad Debt Expense if recording allowance for uncollectibles.

Related Transactions:
TC 145: Collection on Noncurrent Loan Receivable
TC 455: To Write Off Uncollectible Noncurrent Loan Receivable
TC 458: Establish/Adjust Noncurrent Loan Receivables – All Funds
TC 474/474R: To reclassify Noncurrent Loan Receivable to Current (and back)

TC 473: Establish/Adjust Loan Receivable – Governmental, Proprietary, and Fiduciary Funds

Usage:

To record or adjust a noncurrent loan receivable in governmental, proprietary and fiduciary fund types. For financial reporting purposes, the GAAP offset eliminates the revenue that was recorded when loan repayments are received. Use TC 473R and GL 0936 to record an allowance for uncollectible amounts.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

The receivable should be recorded when the loan is issued. Allowance for uncollectibles should be recorded at least once a year. Month 13 would be an appropriate period for this.

Transaction:
DR *General Ledger Account Required:*
    0431   Loans Receivable - Current
    0931   Loans Receivable
    0951   Advances to Component Units
CR   3200   GAAP Revenue Offset
    Requires Comptroller Object
    A comptroller revenue object within the range of 0111-1107 or 1404-1408 may be used; however, the object used when the loan repayment was originally recorded should be used here.

Related Transactions:
TC 145: Collection on Noncurrent Loan Receivable
TC 455: To Write Off Uncollectible Noncurrent Loan Receivable
TC 458: Establish/Adjust Noncurrent Loan Receivables – All Funds
TC 474/474R: To reclassify Noncurrent Loan Receivable to Current (and back)

TC 498: **Establish/Adjust Lease/PPP Receivable – Governmental, Proprietary, and Fiduciary Funds**

Usage:

To record or adjust a noncurrent lease/PPP receivable in governmental, proprietary and fiduciary fund types. For financial reporting purposes, the deferred inflow of resources eliminates the revenue from the current reporting period. Revenue is recognized in the financial statements as the amortization of the deferred inflow of resources is recorded. Use TC 498R and GL 0942 to record an allowance for uncollectible amounts.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

The receivable should be recorded when the lease commences. Allowance for uncollectibles should be recorded at least once a year. Month 13 would be an appropriate period for this.

Transaction:
DR   *General Ledger Account Required:*
     0941   Lease Receivables - Noncurrent
     0942   Allowance for Uncollectible – Noncurrent - Lease Receivable
     0943   PPP Receivables – Noncurrent
     0944   Allowance for Uncollectible – Noncurrent PPP Receivables
CR   1861   Deferred Inflow – Lease Receivables
     1862   Deferred Inflow – PPP Receivables
     Comptroller Object not required.

Related Transactions:
TC 474/474R: To reclassify Noncurrent Lease Receivable to Current (and back)
TC 522: Record accumulated amortization of deferred inflow
TC 560: Reduce lease receivable by principal lease payments

TC 446: **Establish/Adjust Advance To Other Funds/Agencies – Governmental, Proprietary, and Fiduciary Funds**

Usage:

To establish or adjust an advance to another fund or agency for governmental, proprietary and fiduciary funds. Payment of the advance by the agency would be initiated using TC 722/723. The GAAP Expenditure Offset eliminates the expenditure (that was recorded with TC 722) for financial statement purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When advance payment is made using TC 722.

Transaction:

DR   0950   Advances To Other Funds/Agencies
Agency GL Required:
        Format: 8 characters
        *XXX Agency **owing** the Advance*
        *XXXX Fund in Agency **owing** the Advance*
        0 (zero) Filler

CR   3600   GAAP Expenditure Offset
Requires Comptroller Object:
     5450   Industrial and Heavy Equipment
     5455   1099 Reportable Services/Industrial & Heavy Equipment
     6870   Loans Made to State Agencies
     6875   Loans Made - Other

Related Transactions (for proprietary & fiduciary funds only):
TC 447: Adjust Advance To Other Funds/Agencies for Repayment
TC 448: Establish or Adjust Advance From Other Funds/Agencies
TC 449: Adjust Advance From Other Funds/Agencies for Repayment

TC 447: **Adjust Advance To Other Funds/Agencies for Repayment – Governmental, Proprietary, and Fiduciary Funds**

Usage:

To record a payment received on an advance to another fund or agency in governmental, proprietary and fiduciary funds. Repayment of the advance by the other agency would normally be initiated using TC 722/723. The GAAP Revenue Offset eliminates the revenue (recorded with TC 723) for financial reporting purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When loan repayment is received via TC 723.

Transaction:

DR   3200   GAAP Revenue Offset
Requires Comptroller Object:
     1101   Housing Division Loan Repayments
     1102   Veterans' Loan Repayments
     1103   Senior Citizen Property Tax Repayments
     1104   Other Loan Repayments (most agencies will use this account)

CR   0950   Advances To Other Funds/Agencies
Agency GL Required:
        Format: 8 characters
        *XXX Agency **owing** the Advance*
        *XXXX Fund in Agency **owing** the Advance*
        0 (zero) Filler

Related Transactions (all fund types):
TC 446: Establish or Adjust Advance To Other Funds/Agencies
TC 448: Establish or Adjust Advance From Other Funds/Agencies
TC 449: Adjust Advance From Other Funds/Agencies for Repayment

GAAP General Fund only – Advances Receivable

TC 486:   **Establish/Adjust Advance To Other Funds/Agencies - General Fund only**

Usage:

To establish or adjust a long-term advance receivable to another fund or agency in the General Fund. The nonspendable fund balance that this TC establishes is appropriate only in the GAAP General Fund and only if the proceeds from collections on the advance are <u>not</u> restricted, committed or assigned to a specific purpose. Otherwise, use TC 446. Payment of the advance by the agency would be initiated using TC 722/723. The GAAP Expenditure Offset eliminates the expenditure (that was recorded with TC 722) for financial statement purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When advance is issued via TC 722.

Transaction:
DR   0950   Advances To Other Funds/Agencies
             Agency General Ledger Account Required:
                    Format: 8 characters
                    *XXX Agency **owing** the Advance*
                    *XXXX Fund in Agency **owing** the Advance*
                    0 (zero) Filler
CR   3035   Nonspendable FB Advances To Other Fund
DR   3075   Change in Reserves
CR   3600   GAAP Expenditure Offset
             Requires Comptroller Object:
                    6870   Loans Made to State Agencies
                    6875   Loans Made – Other

Related Transactions (for GAAP General Fund only):
TC 472: Adjust for Repayment - Advance To Other Funds/Agency **-** General Fund

TC 472:   **Adjust for Repayment - Advance To Other Funds/Agency - GAAP General Fund only**

Usage:

To adjust a long-term advance to another fund or agency in the General Fund to reflect a repayment received; original advance was recorded with TC 486. Repayment of advance by the other agency would normally be initiated using TC 722/723. For financial reporting purposes, the GAAP Revenue Offset eliminates revenue that was initially recorded with TC 723 when the payment was received.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When loan repayment is received via TC 723.

Transaction:
DR 3035 Nonspendable FB - Advance To Other Funds/Agencies
CR 0950 Advances To Other Funds/Agencies
   Agency General Ledger Account Required:
      Format: 8 characters
      *XXX Agency **owing** the Advance*
      *XXXX Fund in Agency **owing** the Advance*
      0 (zero) Filler
DR 3200 GAAP Revenue Offset
   Requires Comptroller Object:
      1100 Other Program Loan Repayments
      1101 Housing Division Loan Repayments
      1102 Veterans' Loan Repayments
      1103 Senior Citizen Property Tax Repayments
      1104 Other Loan Repayments (most agencies will use this account)
CR 3075 Change in Reserves

Related Transactions (for General Fund only):
TC 486: Establish or Adjust Advance To Other Funds/Agencies

Proprietary & Fiduciary Funds
TC 142: **Collection of Noncurrent Note/Mortgage/Contract/Tax Receivable -**

Proprietary and Fiduciary Funds

Usage:

To record a payment received on a noncurrent receivable that was established with a TC 461 in a proprietary or fiduciary fund. This transaction records the receipt of cash and reduces the long-term receivable. For budgetary purposes, this transaction records a credit to revenue (loan repayments). For financial statement purposes, the GAAP Revenue Offset eliminates the revenue.

Affects:

Trial Balance, Budgetary and GAAP Operating Statements

Record on R*STARS:

When repayment is received (this is the proper cash receipt TC for this type of transaction).

Transaction:
DR 3200 GAAP Revenue Offset
CR *General Ledger Account Required:*
      0420 Taxes Receivable-Noncurrent
      0927 Investment in State Owned Property
      0930 Notes Receivable-Noncurrent
      0932 Contracts Receivable
      0933 Mortgage Receivable
      0935 Other Receivables – Noncurrent
      0943 PPP Receivable - Noncurrent
DR 0065 Unreconciled Deposit
CR 3100 Revenue Control - Cash
   GL accounts 3100 and 3200 require a comptroller object:
      1101 Housing Division Loan Repayments

      1102   Veterans' Loan Repayments
      1103   Senior Citizen Property Tax Repayments
      1104   Other Loan Repayments

Related Transactions:
TC 461: Establish or Adjust Note/Mortgages/Contracts/SOP/Taxes Rec-Noncurrent-proprietary and fiduciary funds
TC 445: Write off of Uncollectible Noncurrent Receivable-Other/Mtg/Note/Contract
TC 467: Write off of Uncollectible Noncurrent Receivable-Taxes
TC 455: Write off of Uncollectible Noncurrent Receivable-Loans

TC 289:   Voucher Payable-Loan Receivable/Payable - Proprietary and Fiduciary Funds

Usage:

To set up voucher payable and adjust loan receivable/payable that was not encumbered. Developed to combine several of the General Ledger and Comptroller Objects of TC 457 and TC 461. This TC creates a warrant.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When making a payment on a long-term liability or issuing a payment that creates a long term receivable - **do not use** to reduce balance of Noncurrent receivable for repayments received.

Transaction:

	GL	*General Ledger Account Required:*
DR		
	0420	Taxes Receivable-Noncurrent
	0927	Investment in State Owned Property
	0930	Notes Receivable-Noncurrent
	0931	Loans Receivable
	0932	Contracts Receivable
	0933	Mortgage Receivable
	0935	Other Receivables – Noncurrent
	0943	PPP Receivable - Noncurrent
	1577	Trust Funds Payable - Noncurrent
	1717	Claims and Judgments Payable
	1720	Accounts Payable - Noncurrent
	1722	Contracts Payable – Retainage
	1723	Financing Arrangements - Noncurrent
	1725	Legal Reserves
	1726	Reported Claims - Risk Management
	1727	Legal IBNR (Incurred But Not Reported)
	1730	Original/Acquisition Loan Fees
	1735	Loans Payable
	1740	IBNR Reserves – Risk Management
	1745	Lottery Prize Awards Payable
	1750	Notes Payable – Noncurrent
CR	3600	GAAP Expenditure Offset
DR	3501	Expenditure Control-Accrued
CR	1211	Vouchers Payable

GL accounts 3501 and 3600 require a comptroller object.
Comptroller objects 4000 – 5999, 6093, 6201-7415 or 3263 may be used.

Related Transactions:
TC 457: Adjust Noncurrent Liabilities in Proprietary, Fiduciary, Government-wide
    Reporting Funds

TC 298: **Expenditure Transfer Paid to Local Government Investment Pool-Loan Receivable/Payable - Proprietary and Fiduciary Funds**

Usage:

To record the expenditure and adjust loans receivable/payable for a payment made to a local government through the Local Government Investment Pool (LGIP) without issuing a warrant. To be used if transfer to local government is budgeted. Developed to combine several of the General Ledger and Comptroller Objects of TC 457 and TC 461.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When making a payment on a long-term liability or issuing a payment that creates a long term receivable - **do not use** to reduce balance of Noncurrent receivable for repayments received.

Transaction:
DR   *General Ledger Account Required:*
        0420   Taxes Receivable-Noncurrent
        0927   Investment in State Owned Property
        0930   Notes Receivable-Noncurrent
        0931   Loans Receivable
        0932   Contracts Receivable
        0933   Mortgage Receivable
        0935   Other Receivables – Noncurrent
        0943   PPP Receivables - Noncurrent
        1577   Trust Funds Payable - Noncurrent
        1717   Claims and Judgments Payable
        1720   Accounts Payable - Noncurrent
        1722   Contracts Payable – Retainage
        1725   Legal Reserves
        1726   Reported Claims - Risk Management
        1727   Legal IBNR (Incurred But Not Reported)
        1730   Original/Acquisition Loan Fees
        1735   Loans Payable
        1740   IBNR Reserves – Risk Management
        1750   Notes Payable – Noncurrent
CR   3600   GAAP Expenditure Offset
        GL accounts 3500 and 3600 require a comptroller object:
        Comptroller objects 3111 – 5999, 6300-6725, 6727, 6800, 6805, or 6875 may
        be used.
DR   3500   Expenditure Control-Cash
CR   0070   Cash on Deposit with Treasurer

Related Transactions:

TC 457: Adjust Noncurrent Liabilities in Proprietary, Fiduciary, and Government-wide Reporting funds

TC 461: **Establish/Adjust Noncurrent Notes/Mortgages/Contracts/State-owned Property/ Taxes Receivable – Proprietary and Fiduciary Funds**

Usage:

To establish or adjust long-term receivables in a proprietary, fiduciary or government-wide reporting fund. To establish an allowance for estimated uncollectible amounts, use a TC 461R (reversal). For financial reporting purposes, the GAAP Expenditure Offset eliminates the expenditure that was recorded when the receivable was originally created.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When the receivable is created (whether a sale, a contract or note given). Allowance for uncollectibles should be recorded at least once a year; Month 13 would be an appropriate period for this.

Transaction:
DR   *General Ledger Account Required:*
    0420   Taxes Receivable-Noncurrent
    0927   Investment in State Owned Property
    0930   Notes Receivable - Noncurrent
    0932   Contracts Receivable
    0933   Mortgage Receivable
    0934   Allowance for Uncollectible Rec.-Noncurrent-Contract/Mtg/Note/Other
    0935   Other Receivables - Noncurrent
    0937   Allowance for Uncollectible Taxes – Noncurrent
    0943   PPP Receivables – Noncurrent
    0944   Allowance for Uncollectible Rec. – Noncurrent PPP Receivable
CR   3600   GAAP Expenditure Offset
    Requires Comptroller Object:
    Comptroller objects 3111-5999, 6201-7415 or 7479 may be used. When recording the allowance for uncollectible accounts, use 7479 Bad Debt Expense if there is no revenue associated with the receivable. Use TC 462 to record allowance as a reduction to the associated revenue.

Related Transactions:
TC 445: Write Off Uncollectible Noncurrent Receivable - Other/Note/Mortgage/Contract
TC 455: Write Off Uncollectible Noncurrent Receivable - Loans
TC 467: Write Off Uncollectible Noncurrent Receivable - Taxes

TC 462: **Establish/Adjust Noncurrent Liability or Noncurrent Receivable - Proprietary and Fiduciary Funds**

Usage:

To adjust receivable amounts established in a proprietary, fiduciary or government-wide reporting fund (not to reduce them for payments received. The GAAP Revenue Offset eliminates revenue for financial reporting purposes. This transaction is also used to adjust certain liabilities against revenue.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When adjustment is determined to be needed - **do not use** to reduce balance of Noncurrent receivable for repayments received. Review general ledger accounts below at least annually to determine need for adjustment.

Transaction:
DR   3200   GAAP Revenue Offset
Requires Comptroller Object:
Comptroller objects 0111 - 2600 may be used. The object used to establish the original receivable should be used to adjust revenue.
CR   *General Ledger Account Required:*
      0420   Taxes Receivable-Noncurrent
      0927   Investment in State Owned Property
      0930   Notes Receivable-Noncurrent
      0932   Contracts Receivable
      0933   Mortgage Receivable
      0934   Allowance for Uncollectible Rec.-Noncurrent-Contract/Mtg/Note/Other
      0935   Other Receivables – Noncurrent
      0937   Allowance for Uncollectible Taxes – Noncurrent
      0943   PPP Receivables – Noncurrent
      0944   Allowance for Uncollectible Rec. – Noncurrent PPP Receivables
      1281   Lease Obligations – Current
      1282   Subscription-Based IT Asset Obligations – Current
      1283   PPP Obligations - Current
      1577   Trust Funds Payable – Noncurrent
      1716   Lease Obligations - Noncurrent
      1717   Claims and Judgments Payable
      1720   Accounts Payable - Noncurrent
      1722   Contracts Payable – Retainage
      1723   Financing Arrangements - Noncurrent
      1725   Legal Reserves
      1726   Reported Claims - Risk Management
      1727   Legal IBNR (Incurred But Not Reported)
      1728   Subscription-Based IT Arrangements – Noncurrent
      1729   Public-Public or Public-Private Partnerships - Noncurrent
      1730   Original/Acquisition Loan Fees
      1732   Disc on Bonds Sold – Direct Place/Borrow
      1733   Prem on Bonds Sold – Direct Place/Borrow
      1734   Bonds Payable – Noncurrent – Direct Place/Borrow
      1735   Loans Payable
      1740   IBNR Reserves – Risk Management
      1745   Lottery Prize Awards Payable
      1750   Notes Payable – Noncurrent
      1805   Advances From Component Units

Related Transactions:
TC 461: Establish or Adjust Loan/Note/Mortgage/Contract Receivable - Noncurrent
TC 457: Adjust Noncurrent Liabilities in Proprietary, Fiduciary, Government-wide
         Reporting Funds

TC 463:   **Charge Miscellaneous Revenue to a Noncurrent Receivable - Proprietary and Fiduciary Funds**

Usage:

To charge miscellaneous revenue to a noncurrent receivable-loan, mortgage, contract, note or other. In this transaction, the GAAP Revenue Offset reports additional revenue for financial statement purposes.

Affects: Trial Balance and GAAP Operating Statements

Record in R*STARS:

When adjustment is determined to be needed - **do not use** to reduce balance of noncurrent receivable for repayments received.

Transaction:
DR   *General Ledger Account Required:*
      0930   Notes Receivable-Noncurrent
      0932   Contracts Receivable
      0933   Mortgage Receivable
      0934   Allowance for Uncollectible Rec.-Noncurrent-Contract/Mtg/Note/Other
      0935   Other Receivables – Noncurrent
      0943   PPP Receivable – Noncurrent
      0944   Allowable for Uncollectible Rec. – Noncurrent PPP Receivables
CR   3200   GAAP Revenue Offset
    Requires Comptroller Object:
    Comptroller objects 0111 - 2600 may be used.

Related Transactions: *NONE*

TC 571:   **Revenue/Cash w/Bank – Establish/Adjust Noncurrent Liability & Noncurrent Receivable - Proprietary and Fiduciary Funds**

Usage:

To record the receipt of cash in bank and establish a loan payable for proceeds received. Use TC 457 to repay. To record receipt of cash in bank and adjust a noncurrent receivable. Use for Proprietary and Fiduciary Funds only. Developed to combine several of the General Ledger and Comptroller Objects of TC 567 and TC 462. This T Code records the receipt of cash in bank.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When payment is received for a long-term receivable that is recorded in cash in bank or to set up a loan payable in cash in bank. For financial statement purposes, the GAAP revenue offset eliminates the revenue.

Transaction:
DR   3200   GAAP Revenue Offset
CR   *General Ledger Account Required:*
      0420   Taxes Receivable-Noncurrent

	0927	Investment in State Owned Property
	0930	Notes Receivable-Noncurrent
	0931	Loans Receivable
	0932	Contracts Receivable
	0933	Mortgage Receivable
	0935	Other Receivables – Noncurrent
	0943	PPP Receivables – Noncurrent
	1577	Trust Funds Payable-Noncurrent
	1717	Claims and Judgments Payable
	1720	Accounts Payable-Noncurrent
	1722	Contracts Payable-Retainage
	1723	Financing Arrangements - Noncurrent
	1725	Legal Reserves
	1726	Reported Claims-Risk Management
	1727	Legal IBNR
	1729	Public-Public or Public-Private Partnerships - Noncurrent
	1730	Original/Acquisition Loan Fees
	1732	Disc on Bonds Sold – Direct Place/Borrow
	1733	Prem on Bonds Sold – Direct Place/Borrow
	1734	Bonds Payable – Noncurrent – Direct Place/Borrow
	1735	Loans Payable
	1740	IBNR Reserves-Risk Management
	1750	Notes Payable-Noncurrent
DR	0077	Cash - in Bank
CR	3100	Revenue Control - Cash

GL accounts 3100 and 3200 require a comptroller object.
Comptroller objects 0111 - 2600 may be used.

Related Transactions:
TC 457: Adjust Noncurrent Liabilities in Proprietary, Fiduciary, Government-wide
Reporting Funds

LIABILITY TRANSACTIONS
(NO BONDS/COPs)

Governmental, Proprietary, and Fiduciary Funds - Advances

TC 448:   **Establish/Adjust Advance From Other Fund/Agency – Governmental, Proprietary, and Fiduciary Funds**
Usage:

To record a long-term advance (loan) from another fund or agency. Receipt of the advance by the agency would be initiated by the advancing agency or fund using TC 722/723. The GAAP Revenue Offset eliminates the revenue (other revenue or loan proceeds recorded with TC 723) for financial statement purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When loan proceeds are recorded with TC 723.

Transaction:
DR   3200   GAAP Revenue Offset
        Requires Comptroller Object:
        1105   Other Revenue
        1600   Loan Proceeds
CR   1800   Advances From Other Funds/Agencies
        Agency General Ledger Account Required:
                Format: 8 characters
                *XXX Agency **owed** the Advance*
                *XXXX Fund in Agency **owed** the Advance*
                0 (zero) Filler

Related Transactions:
TC 449: Adjust Advance From Other Fund/Agency for Repayment
TC 446: Establish or Adjust Advance To Other Fund/Agency
TC 447: Adjust Advance To Other Fund/Agency for Repayment

TC 449:   **Adjust Advance From Other Fund/Agency for Repayment – Governmental, Proprietary, and Fiduciary Funds**

Usage:

To reduce the outstanding balance of a long-term advance from another fund or agency as a result of a repayment. Repayment of advance by the agency would be initiated using TC 722/723. The GAAP Expenditure Offset eliminates the expense (loans repaid to state agencies or principal-loans recorded with TC 722) for financial statement purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When loan repayment is initiated using TC 722.

Transaction:

DR   1800   Advances From Other Funds/Agencies

              Agency General Ledger Account Required:
                    Format: 8 characters
                    *XXX Agency **owed** the Advance*
                    *XXXX Fund in Agency **owed** the Advance*
                    0 (zero)Filler

CR   3600   GAAP Expenditure Offset

              Requires Comptroller Object:
              6825   Loans Repaid to State Agencies
              7200   Principal - Loans

Related Transactions:

TC 448: Establish or Adjust Advance From Other Fund/Agency
TC 446: Establish or Adjust Advance To Other Fund/Agency
TC 447: Adjust Advance To Other Fund/Agency for Repayment

Proprietary, Fiduciary, and Government-wide Reporting Funds

TC 457:   **Establish/Adjust Other Noncurrent Liabilities and Deferred Outflows/Inflows of Resources related to Pensions – Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record other liabilities or deferred outflows/inflows of resources related to pensions that create an expenditure in proprietary, fiduciary, or government-wide reporting funds. The effect of this transaction is to establish or adjust a liability for GAAP reporting purposes without affecting budgetary expenditures.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

At least once a year; Month 13 is an appropriate period to record this.

Transaction:

DR   3600   GAAP Expenditure Offset

              Requires Comptroller Object:
              Comptroller objects 3111-5999 and 6201-7415 may be used.

CR   *General Ledger Account Required:*

              1001   Deferred Outflows – Difference in Economic Experience
              1002   Deferred Outflows – Diff Btwn Proj and Act Investment Income
              1003   Deferred Outflows – Change in Assumptions
              1004   Deferred Outflows – Change in Employer Contribution and Proportion
              1005   Deferred Outflows – Contribution after the Measurement Date
              1006   Deferred Outflows – OPEB Difference in Economic Experience
              1007   Deferred Outflows – OPEB Diff Btwn Proj and Act Earnings
              1008   Deferred Outflows – OPEB Change in Assumptions
              1009   Deferred Outflows – OPEB Change in Employer Contribution and Proportion
              1010   Deferred Outflows – OPEB Contribution after the Measurement Date
                    1577Trust Funds Payable - Noncurrent
              1650   Pension-Related Debt - Current
              1717   Claims and Judgment Payable
              1720   Accounts Payable - Noncurrent

1722	Contracts Payable – Retainage
1723	Financing Arrangements - Noncurrent
1725	Legal Reserves
1726	Reported Claims - Risk Management
1727	Legal IBNR
1730	Original/Acquisition Loan Fees
1735	Loans Payable
1740	IBNR Reserves - Risk Management
1745	Lottery Prize Awards Payable
1750	Notes Payable-Noncurrent
1755	Pension-Related Debt - Noncurrent
1760	Net Pension Liability (Asset)
1770	Net OPEB Obligation
1775	Net OPEB Liability
1776	Total OPEB Liability
1780	Pollution Remediation Obligation
1853	Deferred Inflows - Difference in Economic Experience
1854	Deferred Inflows – Difference Between Projected and Actual Investment Results
1855	Deferred Inflows – Change in Assumptions
1856	Deferred Inflows – Change in Employer Contribution and/or Proportion
1857	Deferred Inflows – OPEB Difference in Economic Experience
1858	Deferred Inflows – OPEB Difference Between Projected and Actual Earnings
1859	Deferred Inflows – OPEB Change in Assumptions
1860	Deferred Inflows – OPEB Change in Employer Contribution and/or Proportion

Related Transactions: *NONE*

TC 459:   **Reduce Lease/SBITA/PPP Liability - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To reduce the lease/SBITA/PPP liability due to a payment of a lease/subscription/PPP. The GAAP Expenditure Offset in this transaction eliminates the expense (recorded with TC 222 or 225) for financial statement purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Preferably, at the time payment is made to the lessor or partner. Minimally, at least once a year for the total of the principal paid to the lessor.

Transaction:
DR   *General Ledger Account Required:*
    1716   Lease Obligations – Noncurrent
    1728   Subscription-Based IT Obligations – Noncurrent
    1729   PPP Obligations - Noncurrent
CR   3600   GAAP Expenditure Offset
    Requires Comptroller Object:

Use the same comptroller object (7000 – 7010) used to record the principal portion of the lease payment (TC 222 or 225).

Related Transactions:
TC 462: To recognize the lease liability
TC 545: To recognize the leased asset
TC 908R: To recognize the lease proceeds.
TC 909R: To recognize the acquisition of the leased asset

BOND/COP TRANSACTIONS

Proprietary, Fiduciary, and Government-wide Reporting Funds

TC 504: **Establish or Adjust a Payable for Bonds/COPs/TANs – Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record the liability associated with issuance of bonds or COPs in a proprietary, fiduciary or government-wide reporting fund (bond or COP revenue proceeds are recorded using TC 190 or 567). Also use to establish the liability for TANs in a governmental fund. The effect of this transaction is to reduce the amount of revenue and to establish Bonds, COP, or TANs payable for GAAP financial statement purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When bonds, COPs or TANs are sold.

Transaction:
DR   3200   GAAP Revenue Offset
        Requires Comptroller Object:
        1500   General Obligation Bonds (Dedicated Fund)
        1501   General Obligation Bonds
        1502   Lottery Revenue Bonds
        1503   Revenue Bonds
        1504   Tax Exempt Commercial Paper
        1505   Proceeds from Refunding Bond/COP Debt
        1506   Certificates of Participation
        1507   OID - Certificates of Participation
        1508   OID - Bonds
        1509   OIP - Certificates of Participation
        1510   OIP - Bonds
        1511   OIP - Tax Anticipation Notes
        1512   Appropriation Bonds
        1513   OIP- Appropriation Bonds
        1515   Direct Placements/Borrowings
        1516   OID Direct Placements/Borrowings
        1517   OIP Direct Placements/Borrowings

        1605   Tax Anticipation Note Proceeds
CR   *General Ledger Account Required:*
        1540   Tax Anticipation Notes Payable
        1545   Premium on Tax Anticipation Notes
        1702   Discount on COPs Sold
        1703   Premium on COPs Sold
        1704   COPs Payable – Noncurrent
        1712   Discount on Bonds Sold
        1713   Premium on Bonds Sold
        1714   Bonds Payable - Noncurrent
        1732   Disc on Bonds Sold – Direct Place/Borrow
        1733   Prem on Bonds Sold – Direct Place/Borrow
        1734   Bonds Pay-Noncurr – Direct Place/Borrow

Related Transactions: *NONE*

TC 514: **Establish Prepaid Expenses/Deferred Outflows/Inflows of Resources on Bonds/COPs - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record prepaid expenses (bond insurance) when expenditures (budgetary) are made with TC 222 or 167R (i.e., out of pocket expenses, not paid from the Bond/COP proceeds). Discounts, premiums, and prepaid expenses paid from proceeds should be recorded with TC 511. This transaction allows the costs to be matched with the period in which they are used. *Use TC 500 for prepaid expenses other than Bonds/COPs.*

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record prepaid expenses at the time they are incurred, and record amortized expense using a TC 520 at least once a year thereafter.

Transaction:
DR   *General Ledger Account Required:*
     0602   Prepaid Expenses
     1000   Deferred Outflows – Loss on Debt Refunding
     1702   Discount on COPs Sold
     1703   Premium on COPs Sold
     1712   Discount on Bonds Sold
     1713   Premium on Bonds Sold
     1732   Disc on Bonds Sold – Direct Place/Borrow
     1733   Prem on Bonds Sold – Direct Place/Borrow

     1851   Deferred Inflows – Gain on Debt Refunding
     1852   Deferred Inflows – Loan Origination
CR   3600   GAAP Expenditure Offset
     Requires Comptroller Object:
     2317   *Gain (Loss) on Debt Refundings*
     4041   *Direct Placements/Borrowings Costs*
     4050   *Bond Costs*
     4051   *Bond Refunded Debt Payment to Escrow Agent-not from bond proceeds*
     4055   *Certificate of Participation Costs*
     4056   *COP Refunded Debt Payment to Escrow Agent-not from COP proceeds*
     7050   *Refunded Debt Payment to Escrow Agent-from Bond/COP proceeds*

Related Transactions:
TC 511: Establish Original Discount/Premium Prepaid Expense for Bonds/COPs
TC 516: Write off Bond/COP Discount and Deferred Outflows/Inflows of Resources
TC 520: Amortize Prepaid Insurance or Deferred Outflows of Resources for Bonds/COPs

TC 516:   **Write Off Bond/COP Discount and Deferred Outflow/Inflows of Resources - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To write off the gain/loss on Bond/COP remaining original discount, prepaid expenses, and deferred outflows/inflows of resources in a proprietary, fiduciary or government-wide reporting fund. *This transaction should be used **only** when a bond or COP issue is being called or refunded.* Use a TC 520 for normal amortization of the various deferred outflows/inflows of resources and prepaid costs. The effect of this transaction is to reduce the amount of revenue reported for GAAP financial statement purposes and to reduce the original issue discount and related deferred outflows/inflows of resources.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Only when Bond or COP issue(s) are refunded or retired early; record at time of Bond/COP payoff.

Transaction:
DR   3200   GAAP Revenue Offset
       Requires Comptroller Object:
       0401   Administrative and Service Charges2315Loss on Bond Call - Capitalization Write-off
       2316   Loss on COP Call - Capitalization Write-off
CR   *General Ledger Account Required:*
       0999   Deferred Outflows – Hedging Derivatives
       1000   Deferred Outflows – Loss on Debt Refunding
       1702   Discount on COPs Sold
       1712   Discount on Bonds Sold
       1732   Disc on Bonds Sold – Direct Place/Borrow
       1850   Deferred Inflows – Hedging Derivatives
       1851   Deferred Inflows – Gain on Debt Refunding
       1852   Deferred Inflows – Loan Origination

Related Transactions:
TC 514: Establish Prepaid Expenses/Deferred Outflows/Inflows of Resources on Bonds/COPs
TC 517: Write off Original Premium on Called Bonds/COPs

TC 517:   **Write Off Bond/COP Original Premium - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

This transaction allows the user to write off the gain/loss on Bond/COP remaining original premium and deferred outflows/inflows of resources in a proprietary, fiduciary or government-wide reporting fund. *This transaction should be used **only** when a bond or COP issue is being called.* Use a TC 520 for normal amortization of the original premium. The effect of this transaction is to increase the amount of revenue reported for GAAP financial statement purposes and to reduce the amount of original Bond/COP premium.

Affects:

Record in R*STARS:

Only when Bond or COP issue(s) refunded or retired early; record at time of Bond/COP payoff.

Transaction:
DR   *General Ledger Account Required:*
      1000   Deferred Outflows – Loss on Debt Refunding
      1703   Premium on COPs Sold
      1713   Premium on Bonds Sold
      1732   Disc on Bonds Sold – Direct Place/Borrow
      1733   Prem on Bonds Sold – Direct Place/Borrow
      1851   Deferred Inflows – Gain on Debt Refunding
      1852   Deferred Inflows – Loan Origination
CR   3200   GAAP Revenue Offset
      Requires Comptroller Object:
      0801   Interest on Program Loans
      2315   Loss on Bond Call - Capitalization Write-off
      2316   Loss on COP Call - Capitalization Write-off

Related Transactions:
TC 511: Establish Original Discount/Premium Prepaid Expense for Bonds/COPs
TC 516: Write off discounts and deferred outflows/inflows of resources when debt is refunded

TC 520:   Amortize Original Discounts, Prepaid Insurance, and Deferred Outflows of Resources for Bonds/COPs - Proprietary, Fiduciary, and Government-wide Reporting Funds

Usage:
To record the amortization original discount, prepaid insurance, or deferred outflows of resources for Bonds/COPs in a proprietary, fiduciary or government-wide reporting fund. The GAAP Expenditure Offset records an expense for financial statement purposes.

Affects:
Trial Balance and GAAP Operating Statements

Record in R*STARS:
At least once a year (Month 13 is an appropriate period).

Transaction:
DR   3600   GAAP Expenditure Offset
      Requires Comptroller Object:
      7450   Amortization - Discount/Premium on Bonds
      7455   Amortization - Discount/Premium on COPs
      7459   Amortization – Discount/Premium on Direct Place/Borrow
      7468   Amortization – Prepaid Debt Insurance
      7470   Amortization – Deferred Loss/Gain on Refunding
CR   *General Ledger Account Required:*
      0602   Prepaid Expenses

> 1000   Deferred Outflows – Loss on Debt Refunding
> 1702   Discount on COPs Sold
> 1712   Discount on Bonds Sold
> 1732   Disc on Bonds Sold – Direct Place/Borrow

Related Transactions:
TC 511: Establish Original Discount/Premium Prepaid Expense for Bonds/COPs
TC 514: Establish Prepaid Expenses/Deferred Outflows/Inflows of Resources on Bonds/COPs

TC 523:   **Amortize Original Premium for Bonds/COPs - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record the amortization of the original premium and deferred inflows of resources for a gain on refunding for Bonds/COPs in a proprietary, fiduciary or government-wide reporting fund. The GAAP Expenditure Offset records these expenses for financial statement purposes only.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

At least once a year (Month 13 is an appropriate period).

Transaction:
DR   *General Ledger Account Required:*
    1545   Premium on Tax Anticipation Notes
    1703   Premium on COPs Sold
    1713   Premium on Bonds Sold
    1733   Prem on Bonds Sold – Direct Place/Borrow
    1851   Deferred inflows – Gain on Debt Refunding
CR   3600   GAAP Expenditure Offset
    Requires Comptroller Object:
    7450   Amortization - Discount/Premium on Bonds
    7455   Amortization - Discount/Premium on COPs
    7456   Amortization – Discount/Premium on TANs
    7457   Amortization – Discount/Premium on Direct Place/Borrow
    7470   Amortization – Deferred Loss/(Gain) on Refunding

Related Transactions:
TC 511: Establish Original Discount/Premium Prepaid Expense for Bonds/COPs

TC 524:   **Establish/Adjust Accreted Interest Payable on Bonds/COPs - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record the accretion (or growth) of the accreted interest associated with *deep discount* Bonds/COPs to match revenues and expenses. This increases Accreted Interest Payable over the life of the Bonds/COPs. The GAAP Expenditure Offset records the expense for financial statement purposes only.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

At least once a year (Month13 is an appropriate period).

Transaction:

DR   3600   GAAP Expenditure Offset

              Requires Comptroller Object:

              7050   Refunded Debt Payment to Escrow Agent from Bond/COP Proceeds

              7225   Interest Direct Placements/Borrowings

              7250   Interest - Bonds

              7300   Interest - Certificates of Participation

CR   1709   Accreted Interest Payable

Related Transactions: *NONE*

TC 526:   **Establish/Adjust Noncurrent Arbitrage Rebate Payable on Bonds/COPs - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record the noncurrent portion of arbitrage rebate payable for Bonds/COPs in a proprietary, fiduciary or government-wide reporting fund. This reduces interest revenue associated with Bonds/COPs. Use a TC 526R to reduce/liquidate arbitrage payable. The GAAP Revenue Offset records the reduction of revenue for financial statement purposes only.

Affects:

Trial Balance, GAAP Operating Statements

Record in R*STARS:

At least once a year (Month13 is an appropriate period).

Transaction:

DR   3200   GAAP Revenue Offset

              Requires Comptroller Object:

              0800   Interest on Investments

              0801   Interest on Program Loans

CR   1719   Arbitrage Rebate Payable

Related Transactions:

TC 527: – Adjust arbitrage rebate payable-current

TC 527:   **Establish/Adjust Current Arbitrage Rebate Payable on Bonds/COPs - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record the current portion of arbitrage rebate payable for Bonds/COPs in a proprietary, fiduciary or government-wide reporting fund. This reduces interest revenue associated with Bonds/COPs. Use a TC 526R to reduce/liquidate arbitrage payable. The GAAP Revenue Offset records the reduction of revenue for financial statement purposes only.

Affects:

Trial Balance, GAAP Operating Statements

Record in R*STARS:

At least once a year (Month13 is an appropriate period).

Transaction:

DR   3200   GAAP Revenue Offset

> *Requires Comptroller Object:*
> *0800   Interest on Investments*
> *0801   Interest on Program Loans*
> CR   1619   Arbitrage Rebate Payable-Current

Related Transactions:

TC 526: Record arbitrage rebate payable-noncurrent

TC 528:   **Reduce Liability for Principal/Advance Refunding of Bonds/COPs - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To reduce the Bond or COP Payable balances to reflect the payment of principal or an advance refunding in a proprietary, fiduciary or government-wide reporting fund. To record payment to escrow agent for advance refunding or principal payment use TC 167R or 568.

To produce a warrant, use TC 222.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When payment on principal is made or, at a minimum, at the end of each year principal payments are made.

Transaction:
DR   *General Ledger Account Required:*
        1276   Bonds Payable - Current
        1277   Bonds Pay–Current – Direct Place/Borrow
        1279   COP Payable - Current
        1540   Tax Anticipation Notes Payable - Current
        1704   COPs Payable - Noncurrent
        1714   Bonds Payable - Noncurrent
        1734   Bonds Pay–Noncurr – Direct Place/Borrow
CR   3600   GAAP Expenditure Offset
        Requires Comptroller Object:
        4051   Bond Refund Debt Payment – Escrow Agent – Agency Cash
        7050   Refunded Debt Payment to Escrow Agent from Bond/COP Proceeds
        7100   Principal - Bonds
        7125   Principal Direct Placements/Borrowings
        7150   Principal - Certificates of Participation
        7275   Principal – Appropriation Bonds
        7410   Principal - Tax Anticipation Notes

Related Transactions: *NONE*

TC 558: **Expenditure/Cash in Bank-To Reduce Liability - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record expenditure from cash in bank and reduce liability for the amount of principal or advanced refunding for a bond or COP payable in a Proprietary, Fiduciary or the Government Wide Reporting Fund. Developed to combine several of the General Ledger and Comptroller Objects of TC 528 and TC 568. This TC records the expenditure from cash in bank.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When payment on principal is made from cash in bank or, at a minimum, at the end of each year principal payments are made.

Transaction:
DR   *General Ledger Account Required:*
        1276   Bonds Payable - Current
        1277   Bonds Pay–Current – Direct Place/Borrow
        1279   COP Payable - Current
        1704   COPs Payable - Noncurrent
        1714   Bonds Payable - Noncurrent
        1734   Bonds Pay–Noncurr – Direct Place/Borrow
CR   3600   GAAP Expenditure Offset
        Requires Comptroller Object:
        4051   Bond Refund Debt Payment – Escrow Agent – Agency Cash
        7050   Refunded Debt Payment to Escrow Agent from Bond/COP Proceeds
        7100   Principal - Bonds
        7125   Principal Direct Placements/Borrowings
        7150   Principal - Certificates of Participation
DR   3500   Expenditure Control-Cash
CR   0077   Cash-In Bank

Related Transactions: *NONE*

OTHER MISCELLANEOUS TRANSACTIONS

Proprietary, Fiduciary, and Government-wide Reporting Funds

TC 440:   **Record/Adjust Short-Term Compensated Absences Payable – Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record increase (TC 440) or decrease (TC 440R) in short-term compensated absences payable in proprietary, fiduciary or government-wide reporting funds**.** The effect of this entry is an increase or decrease in payroll expense for GAAP financial statement purposes. The effect of this entry will not appear on budgetary operating statements, but will be reflected in GAAP operating statements.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record once per year. Month 13 is the most appropriate period to record this, but it can be recorded in month 12 when information is provided by SARS.

Transaction:
 DR   3600   GAAP Expenditure Offset
             Requires Comptroller Object:
             3111   Regular Employees (payroll)
 CR   1605   Compensated Absences Payable - Current

Related Transactions:
TC 442: Record/Adjust Noncurrent Compensated Absences Payable - Proprietary, Fiduciary, Government-wide Reporting Funds

TC 442:   **Record/Adjust Noncurrent Compensated Absences Payable - Proprietary, Fiduciary, and Government-wide Reporting Funds**

Usage:

To record increase (TC 442) or decrease (TC 442R) in noncurrent compensated absences payable in proprietary, fiduciary, or the government-wide reporting fund. The effect of this entry is an increase or decrease in payroll expense for GAAP financial reporting purposes. Thus, the effect of this entry will not appear on budgetary operating statements, but will be reflected in GAAP operating statements.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record once per year. Month 13 is the most appropriate period to record this, but it can be recorded in month 12 when information is provided by SARS.

Transaction:
DR   3600   GAAP Expenditure Offset
            Requires Comptroller Object:
            3111   Regular Employees (payroll)
CR   1718   Compensated Absences Payable - Noncurrent

Related Transactions:
TC 440: Short-Term Compensated Absences Payable for all fund types

TC 487:   **Adjust Valuation Account to Recognize Investments at Fair Value - Governmental, Proprietary, and Fiduciary Funds**

Usage:

To adjust the valuation account to recognize investments at fair value. A TC 487R records a decrease in fair value, and a TC 487 records an increase in fair value. The GAAP Revenue Offset records the adjustment for GAAP reporting purposes only.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Monthly.

Transaction:

DR   *General Ledger Account Required:*
- 0235   Investment Valuation Account - OITP
- 0245   Investment Valuation Account - Designated
- 0255   Investment Valuation Account – Other
- 0599   Other Derivative Instrument – Asset

CR   *3200   GAAP Revenue Offset*
Requires Comptroller Object:
- *0800   Interest on Investments*
- *0801   Interest on Program Loans*
- *0810   Income From Investments - Treasury*
- *0811   Interest on Program Loans – Treasury*
- *0812   Income from Investments – O/S Treasury*
- *0830   Net Increase (Decrease) in FV of Investments*
- *1111   Change in Fair Value of Other Derivatives Instruments*

Related Transactions:

TC 490: Record purchase of Investments with Cash in Bank
TC 491: Record purchase of Investments with Cash at Treasury

Governmental Funds

TC 502:   **Record/Adjust Inventories - Governmental Funds**

Usage:

To record or adjust inventory and the related nonspendable fund balance account in a governmental fund. Also records the change in inventory for GAAP reporting purposes. Expenditures (budgetary) are made with TC 222, 225, or 226. Where the asset cost has not expired, this transaction allows the costs to be matched with the period in which they are used.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

At least once a year (Month 13 is proper for this).

Transaction:

DR   *General Ledger Account Required:*
- 0600   Inventories-Materials and Supplies
- 0601   Inventories – Stores for Resale

CR   3031   Nonspendable FB - Inventory
DR   3075   Change in Reserves
CR   3600   GAAP Expenditure Offset
                 Requires Comptroller Object:
                 7500   Increase/Decrease in Governmental Inventories Reserve

Related Transactions:
TC 500: Record/Adjust Prepaid Expense/Inventory in proprietary and fiduciary funds or in governmental funds if the proceeds from the sale of merchandise for resale are restricted, committed, or assigned to a specific purpose

TC 510:   **Record/Adjust Prepaid Items - Governmental Funds**

Usage:

To record an asset (prepaid items) when expenditures are made with TC 222, 225, or 226, where the asset cost has not expired. This TC is used in governmental funds and allows the costs to be matched with the period in which they are used. *Use TC 514 for Bond/COP prepaid expenses.*

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record prepaid expenses at the time they are incurred, and expense or adjust at least once a year thereafter.

Transaction:
DR   0602   Prepaid Expenses
CR   3032   Nonspendable FB – Prepaids
DR   3075   Change in Reserves
CR   3600   GAAP Expenditure Offset
                 Requires Comptroller Object:
                 Comptroller objects 3111–5999 or 6201-7415 may be used. Use the same object used for the original expenditure.

Related Transactions:
TC 500: Record Prepaid Expense/Inventory - proprietary and fiduciary funds

TC 564:   **Establish/Adjust Cash on Hand – Governmental Funds**

Usage:

To establish or adjust cash on hand (petty cash) for a governmental fund. A warrant is produced using TC 222. The warrant is cashed by the agency for use in a petty cash account. This transaction is used to record the cash on hand and related nonspendable fund balance account. The GAAP Expenditure Offset eliminates the expenditure that was recorded when the warrant was originally produced.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When the warrant establishing or adjusting the petty cash fund is issued.

Transaction:
DR   0072   Cash on Hand

CR   3036   Nonspendable FB - Revolving Accounts
DR   3075   Change in Reserves
CR   3600   GAAP Expenditure Offset
         Requires Comptroller Object:
         Comptroller objects 4001-5999 and 6201-7415 may be used. Use the same object used originally to issue the warrant (normally 4200 Office Supplies).

Related Transactions:
TC 194: Establish or Adjust Cash on Hand for proprietary and fiduciary funds

TC 698:   Record Prepayment of Legal Fees - Governmental Funds

Usage:

To record the prepayment of legal fees in a governmental fund. TC 699 must be processed with TC 698 as a balanced transaction. The GAAP Expenditure Offset eliminates the expenditure/expense for financial reporting purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record prepaid expenses at the time they are incurred, and expense at least once a year thereafter.

Transaction:
DR   3500   Expenditure Control - Cash
CR   0070   Cash on Deposit With Treasurer
DR   0602   Prepaid Expenses
CR   3032   Nonspendable FB - Prepaids
DR   3075   Change in Reserves
CR   3600   GAAP Expenditure Offset
         GL accounts 3500 and 3600 require a comptroller object:
         4500   Professional Services Non-IT
         4550   Attorney General Legal Fees

Related Transactions:
TC 699: To record receipt of prepaid legal fees as unearned revenue - governmental funds

TC 699:   Record receipt of Prepaid Legal Fees - Governmental Funds

Usage:

To record the receipt of prepaid legal fees as unearned revenue in a governmental fund. This entry is generated by the paying agency. TC 699 must be processed with TC 698 as a balanced transaction. Revenue is recorded for budgetary purposes while the GAAP Revenue Offset eliminates the revenue for financial reporting purposes (since it has not been earned yet). Use TC 493 to recognize the earned portion.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record at the time the prepayment is received.

Transaction:

DR 0070 Cash on Deposit With Treasurer
CR 1604 Unearned Revenue - Document Supported
DR 3200 GAAP Revenue Offset
CR 3100 Revenue Control - Cash
GL accounts 3100 and 3200 require a comptroller object:
0407 Other Charges for Services

Related Transactions:
TC 698: To record prepayment of legal fees - governmental funds
TC 493: To recognize the earned portion of unearned revenue

Proprietary and Fiduciary Funds

TC 194: **Establish/Adjust Cash on Hand – Proprietary and Fiduciary Funds**

Usage:

To establish or adjust cash on hand (petty cash) for proprietary or fiduciary funds. A warrant is produced using TC 222. The warrant is cashed by the agency for use in a petty cash account. This transaction is used to record the cash on hand. The GAAP Expenditure Offset eliminates the expenditure created when the warrant was produced for financial reporting purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When the warrant establishing or adjusting the petty cash fund is issued.

Transaction:

DR 0072 Cash on Hand
CR 3600 GAAP Expenditure Offset
Requires Comptroller Object:
Comptroller object 4001 - 5999 and 6201 - 7415 may be used. Use the same object used originally to issue the warrant (normally 4200 Office Supplies)

Related Transactions:
TC 564: Establish or Adjust Cash on Hand for governmental funds

TC 500: **Record Prepaid Expense/Inventories - Proprietary and Fiduciary Funds**

Usage:

To record an asset (prepaid items or inventory) when expenditures (budgetary) are made with TC 222, 225, or 226, where the asset cost has not expired. This TC is used in proprietary or fiduciary funds for materials and supplies inventory and allows the costs to be matched with the period in which they are used. This TC applies to all fund types, including governmental funds, when recording inventory held for resale. *Use TC 514 for Bond/COP prepaid expenses.*

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

At least once a year for inventories (Month 13 is proper for this). Record prepaid expenses at the time they are incurred, and expense at least once a year thereafter.

Transaction:
DR   *General Ledger Account Required:*
      0600   Inventories-Materials and Supplies
      0601   Inventories-Stores for Resale
      0602   Prepaid Expenses
      0967   Net Pension Asset (DAS only)
      0968   Net OPEB Asset
CR   3600   GAAP Expenditure Offset
      Requires Comptroller Object:
      Comptroller objects 3111 - 5999 and 6201 - 7415 may be used. Use the same object used for the original expenditure.

Related Transactions:
TC 514: Establish Prepaid Expenses/Deferred Outflows/Inflows of Resources on Bonds/COPs
TC 510: Record/Adjust Prepaid Expense - Governmental Funds
TC 502: Record/Adjust Inventory - Governmental Funds

TC 779:   **Expenditure/Prepaid Legal Fees - Proprietary Funds**

Usage:

To record the prepayment of legal fees in a proprietary fund. TC 780 must be processed with TC 779 as a balanced transaction. The GAAP Expenditure Offset eliminates the expense for financial reporting purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record prepaid expenses at the time they are incurred, and expense at least once a year thereafter.

Transaction:
DR   3500   Expenditure Control - Cash
CR   0070   Cash on Deposit With Treasurer
DR   0602   Prepaid Expenses
CR   3600   GAAP Expenditure Offset
      GL *accounts 3500 and 3600 require a comptroller object:*
      4500   Professional Services Non-IT
      4550   Attorney General Legal Fees

Related Transactions:
TC 780: To record receipt of prepaid legal fees as unearned revenue - proprietary and fiduciary funds

TC 780:   **Revenue/Prepaid Legal Fees - Proprietary Funds**

Usage:

To record the receipt of prepaid legal fees as unearned revenue in a proprietary fund. This entry is generated by the paying agency. TC 779 must be processed with TC 780 as a balanced transaction. Revenue is recorded for budgetary purposes while the GAAP Revenue Offset eliminates the revenue for financial reporting purposes (since it has not been earned yet). Use TC 493 to recognize the earned portion.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Record at the time the prepayment is received.

Transaction:
DR   0070   Cash on Deposit With Treasurer
CR   3100   Revenue Control - Cash
DR   3200   GAAP Revenue Offset
CR   1604   Unearned Revenue - Document Supported
           GL accounts 3100 and 3200 require a comptroller object:
           0407   Other Charges for Services

Related Transactions:
TC 779: To record prepayment legal fees - proprietary and fiduciary funds
TC 493: To recognize the earned portion of unearned revenue

UNEARNED REVENUE TRANSACTIONS

Governmental, Proprietary, and Fiduciary Funds

TC 164: **Receipt of Unearned Revenue - No Document Support – Governmental, Proprietary, and Fiduciary Funds**

Usage:

When amounts are received by an agency that have not yet been earned (the amount is available, but not measurable) it must be recorded as unearned revenue for GAAP purposes. For budgetary purposes the amount is considered revenue. This transaction allows the user to record the receipt of cash and unearned revenue. The GAAP Revenue Offset eliminates the revenue for GAAP financial reporting purposes. This entry may be used in both governmental and proprietary type funds. TC 492 is used when the unearned revenue has been earned.

Affects:

Trial Balance, Budgetary Operating Statements, and GAAP Operating Statements

Record in R*STARS:

When cash is received.

Transaction:
DR   0065   Unreconciled Deposit
CR   1603   Unearned Revenue - Non-Document Supported
DR   3200   GAAP Revenue Offset
CR   3100   Revenue Control – Cash
      GL a*ccounts 3100 and 3200 require a comptroller object.*
      The following comptroller objects are allowed:
      0111 - 1200, 1404 - 1405, 1501 - 1750, 2000 - 2600

Related Transactions:
TC 492:   Recognize Earned Portion of Unearned Revenue-No Document Support

TC 170: **Receipt of Unearned Revenue - Document Supported - Governmental, Proprietary, and Fiduciary Funds**

Usage:

This transaction allows the user to record the receipt of cash (the budgetary revenue) and set up a liability for Unearned Revenue. The GAAP Revenue Offset eliminates the revenue for GAAP financial reporting purposes. This entry may be used in both governmental and proprietary type funds. TC 493 is used when the unearned revenue has been earned.

Affects:

Trial Balance, Budgetary Operating Statements, and GAAP Operating Statements

Record in R*STARS:

When cash is received.

Transaction:

DR   0065   Unreconciled Deposit
CR   1604   Unearned Revenue - Document Supported
DR   3200   GAAP Revenue Offset
CR   3100   Revenue Control - Cash
GL accounts 3100 and 3200 require a comptroller object.
The following comptroller objects are allowed:
0111 - 1200,1404 - 1405,1501 - 1750, 2000 - 2600

Related Transactions:

TC 493:   Recognize Earned Portion of Unearned Revenue-Document Supported
TC 443:   Move Unearned Revenue out and Cash Out
TC 444:   Move Unearned Revenue in and Cash In

TC 443:   Move Unearned Revenue and Cash Out - Governmental, Proprietary, and Fiduciary Funds

Usage:

To move unearned revenue and cash collected which was originally recorded with TC 170 out. It is used as a balanced transaction with TC 444, and may be used within a fund or between funds within an agency. *TC 443 should not be used for transactions between agencies.* This transaction reports revenue for budgetary purposes while the GAAP Revenue Offset eliminates the revenue for financial reporting purposes.

Affects:

Trial Balance, Budgetary Operating Statements, and GAAP Operating Statements

Record in R*STARS:

When it is determined that unearned revenue was recorded incorrectly.

Transaction:

DR   1604   Unearned Revenue - Document Supported
CR   0070   Cash on Deposit with Treasurer
DR   3100   Revenue Control - Cash
CR   3200   GAAP Revenue Offset
GL accounts 3100 and 3200 require a comptroller object.
The following comptroller objects are allowed:
0111 - 1200, 1404 - 1405, 1501 - 1750, 2000 - 2600

Related Transactions:

TC 170:   Receipt of Unearned Revenue - Document Supported
TC 444:   Move Unearned Revenue in and Cash In

TC 444:   **Move Unearned Revenue and Cash In - Governmental, Proprietary, and Fiduciary Funds**

Usage:

To move unearned revenue and cash collected which was originally recorded with TC 170 in. It is used as a balanced transaction with TC 443 (move out), and may be used within a fund or between funds within an agency. *It should not be used for transactions between agencies.* This transaction reports revenue for budgetary purposes while eliminating it for GAAP reporting purposes.

Affects:

Trial Balance, Budgetary Operating Statements, and GAAP Operating Statements

Record in R*STARS:

When it is determined that unearned revenue was recorded incorrectly.

Transaction:
DR   0070   Cash on Deposit with Treasurer
CR   1604   Unearned Revenue - Document Supported
DR   3200   GAAP Revenue Offset
CR   3100   Revenue Control - Cash
      GL accounts 3100 and 3200 require a comptroller object.
      The following comptroller objects are allowed:
      0111 - 1200, 1404 - 1405, 1501 - 1750, 2000 - 2600

Related Transactions:
TC 170: Receipt of Unearned Revenue - Document Supported
TC 443: Move Unearned Revenue out and Cash Out

TC 492:   **Recognize Earned Portion of Unearned Revenue - No Document Support - Governmental, Proprietary, and Fiduciary Funds**

Usage:

To recognize the earned (measurable) portion of revenue that was unearned with TC 164. The GAAP Revenue Offset reports the additional revenue for financial statement purposes only since it has already been reported for budgetary purposes. The effect of this transaction is to reduce the amount of unearned revenue reported by the amount earned and to record the revenue earned for GAAP financial statement purposes.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

As unearned revenue is earned. Review the balance of unearned revenue for possible earned portions on a regular basis (monthly would be appropriate).

Transaction:

DR   1603   Unearned Revenue - Non-Document Supported
CR   3200   GAAP Revenue Offset
Requires Comptroller Object:
The following comptroller objects are allowed:
0111 - 1200, 1404 - 1405, 1501 - 1750, 2000 - 2600.
Use the same object used to record the original transaction.

Related Transactions:

TC 164:   Receipt of Unearned Revenue - No Document Support

TC 493:   **Recognize Earned Portion of Unearned Revenue - Document Supported - Governmental, Proprietary, and Fiduciary Funds**

Usage:

To recognize the earned (measurable) portion of revenue that was unearned with TC 170. The effect of this transaction is to reduce the amount of unearned revenue reported by the amount earned and to record the revenue earned for GAAP financial statement purposes.

Affects:

Trial Balance, GAAP Operating Statements

Record in R*STARS:

As unearned revenue is earned. Review the balance of unearned revenue for possible earned portions on a regular basis (monthly would be appropriate).

Transaction:

DR   1604   Unearned Revenue - Document Supported
CR   3200   GAAP Revenue Offset
Requires Comptroller Object:
The following comptroller objects are allowed:
0111 - 1200, 1404 - 1405, 1501 - 1750, 2000 - 2600.
Use the same object used to record the original transaction.

Related Transactions:

TC 170: Receipt of Unearned Revenue - Document Supported
TC 443:   Move Unearned Revenue Out and Cash Out
TC 444: Move Unearned Revenue In and Cash In

CORRECTIONS OF AN ERROR

TC 113: **Corrections of an Error/Revenue**

Usage:

To record revenue which was supposed to be recorded in a prior year, but is being recorded currently only due to an error. Also, use this TC to record post closing financial statement adjustments and revenue adjustments due to accounting changes. **Only use this** TC if the prior year is closed in R*STARS. The revenue transaction will affect current cash position for control purposes, but for financial statement purposes, the revenue should be recorded as a correction of an error. Receipt of the revenue will affect current revenue balances for budgetary reporting and control, but the revenue will be reclassified to a correction of an error for GAAP reporting.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When correction of an error to revenue is known.

Transaction:
DR   3200   GAAP Revenue Offset
        Requires Comptroller Object:
        The following comptroller objects are allowed:
        0111 - 1200, 1404 - 1405, 1407 - 1408, 1435, 1500 - 1702, and 2000 - 2639.
CR   *General Ledger Account Required*:
        3060   Corrections of an Error
        3062   Prior Year Post Closing Adjustment
        3064   Accounting Change

Related Transactions:
TC 114: Correction of an Error / Expenditure
TC 119: Correction of an Error / Expenditure for Distributions to State Agencies

TC 114: **Correction of an Error/Expenditure**

Usage:

To record an expenditure incurred in a prior year. Also, use this TC to record post-closing financial statement adjustments and expenditure adjustments due to accounting changes. Use this TC **only** if the prior year is closed in R*STARS. Payment of the expenditure will affect current appropriation balances for budgetary reporting and control. However, for financial statement purposes, the expenditure will be reported as a correction of an error.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When correction of an error expenditure is known.

Transaction:

DR   *General Ledger Account Required*
        3060   Corrections of an Error
        3062   Prior Year Post Closing Adjustment
        3064   Accounting Change
CR   3600   GAAP Expenditure Offset
    Requires Comptroller Object:
    Comptroller objects 3111 – 5999, 6093, or 6201 - 7600 may be used.

Related Transactions:

TC 113: Correction of an Error/Revenue
TC 119: Correction of an Error/Expenditure for Distributions to State Agencies

TC 119:   **Correction of an Error/Expenditure for Distributions to State Agencies (GASB 38)**

Usage:

To record an expenditure (distribution to a state agency) incurred in a prior year. Also, use this TC to record post-closing financial statement adjustments and expenditure distribution adjustments due to accounting changes. This TC requires GASB 38 coding. Use this TC **only** if the prior year is closed in R*STARS. Payment of the expenditure will affect current appropriation balances for budgetary reporting and control. However, for financial statement purposes, the expenditure will be reported as a correction of an error.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When prior period adjustment expenditure (distribution to state agency) is known.

Transaction:

DR   *General Ledger Account Required*
        3060   Corrections of an Error
        3062   Prior Year Post Closing Adjustment
        3064   Accounting Change
CR   3600   GAAP Expenditure Offset
    Requires Comptroller Object:
    Comptroller objects 6000-6092 or 6094-6200 may be used.
    G38 Code Required:
        Format: 8 characters
        *XXX Agency **receiving** distribution*
        *XXXX Fund in Agency **receiving** distribution*
        0 (zero) Filler

Related Transactions: NONE

TC 124:   **Correction of an Error/Transfers In**

    Usage:

To record a GAAP transfer in which should have been recorded in a prior year. Use this TC only if the prior year is closed in R*STARS. The transfer transaction will affect current cash position for control purposes, but for financial statement purposes, the transfer in should be recorded as a correction of an error. Receipt of the transfer in will affect current revenue balances for budgetary reporting and control, but the transfer in will be recorded as a prior period adjustment for GAAP reporting.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When correction of an error to transfer in is known.

Transaction:
DR   3350   GAAP Transfers In Offset
         Requires Comptroller Object:
         Comptroller objects 1277-1400 may be used.
         G38 Code Required:
                Format: 8 characters
                *XXX Agency **paying** on Transfer*
                *XXXX Fund in Agency **paying** on Transfer*
                0 (zero) Filler
CR   *General Ledger Account Required*
       3060   Corrections of an Error
       3062   Prior Year Post Closing Adjustment
       3064   Accounting Change

Related Transactions:
TC 125: Corrections of an Error/Transfers Out

TC 125:   **Corrections of an Error/Transfers Out**

    Usage:

To record a GAAP transfer out which was supposed to be recorded in a prior year, but is being recorded currently only due to an error. Only use this TC if the prior year is closed in R*STARS. The transfer transaction will affect current cash position for control purposes, but for financial statement purposes, the transfer out should be recorded as a corrections of an error. Receipt of the transfer out will affect current revenue balances for budgetary reporting and control, but the transfer out will be reclassified to a prior period adjustment for GAAP reporting.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When corrrections of an error to transfer out is known.

Transaction:

DR   *General Ledger Account Required*
        3060   Corrections of an Error
        3062   Prior Year Post Closing Adjustment
        3064   Accounting Change
CR   3750   GAAP Transfers Out Offset
        Requires Comptroller Object:
        The following comptroller objects are allowed:
        1401-1403, 1430, 1456, and 1801-1999.
        G38 Code Required:
              Format: 8 characters
              *XXX Agency **receiving** Transfer*
              *XXXX Fund in Agency **receiving** Transfer*
              0 (zero) Filler

Related Transactions:

TC 124: Corrections of an Error/Transfers In

FINANCIAL STATEMENT ENTRIES

TC 906: **Estimated Accounts Payable Accrual with Auto-Reverse**

Usage:

To establish or adjust an estimated accounts payable/revenue reduction amount for the month, quarter, or year for financial statement purposes. This will be reversed in the following month with auto-reversing TC 986.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When accrued revenue reduction or payable is recorded at a high level.

Transaction:
DR   3200   GAAP Revenue Offset
         Requires Comptroller Object:
         The following comptroller objects are allowed: 0111 - 1200, 1404 - 1455,
         1457 - 1799, and 2000 - 2600.
CR   1215   Accounts Payable

Related Transactions:
TC 986: Auto-Reverse Accounts Payable Accrual

TC 908: **Reclassify Revenue to Deposit Liability; Record Securities Lending Income**

Usage:

To reclassify revenue to deposit liability for the month, quarter or year for financial statement purposes. This transaction does not auto reverse in the following month. The GAAP Revenue Offset eliminates revenue for financial reporting purposes only. Use TC 908R to record securities lending income (comptroller object 0800) for year-end financial reporting.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Securities lending income should be recorded during Month 13.

Transaction:
DR   3200   GAAP Revenue Offset
         Requires Comptroller Object:
         Comptroller objects 0111 - 1200, 1404 - 1455, 1457 - 1799, and 2000 - 2600
         may be used.
CR   1551   Deposit Liability - Without DF Support

Related Transactions:
TC 909: Change Expenditure to Deposit Liability; Record Securities Lending Expense-No Auto Reverse

TC 909:   **Reclassify Expenditure to Deposit Liability; Record Securities Lending Expense**

Usage:

To reclassify an expenditure to deposit liability for the month, quarter or year for financial statement purposes. This transaction does not auto reverse in the following month. The GAAP Expenditure Offset eliminates expenditures for financial reporting purposes only. Use TC 909R to record securities lending expenses (comptroller object 4740) for year-end financial reporting.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Securities lending expense should be recorded during Month 13.

Transaction:
DR   1551   Deposit Liability - Without DF Support
CR   3600   GAAP Expenditure Offset
              Requires Comptroller Object:
              Comptroller objects 3111 - 5999 or 6201 - 7415 may be used.

Related Transactions:
TC 938: Change Expenditure to Deposit Liability-No Auto Reverse-G38
TC 908: Change Revenue to Deposit Liability; Record Securities Lending Income-No Auto Reverse

TC 915:   **Accrue Due From Other Funds Within Agency**

Usage:

To record due from other funds within an agency. This TC must be used with TC 916 as a balanced transaction, *It should not be used for transactions between agencies. TC 915 and 916 should only be used between a trust fund and another fund within the agency.* The GAAP Revenue Offset records revenue for financial reporting purposes only.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

When accrued revenue resulting from an interfund transaction within the agency is recorded at a high level.

Transaction:
DR   0586   Due From Other Funds
              Agency General Ledger Account Required:
                    Format: 8 characters
                    *XXX Agency that **owes** on distribution*
                    *XXXX Fund in Agency that **owes** on distribution*
                    0 (zero) Filler
CR   3200   GAAP Revenue Offset
              Requires Comptroller Object:
              Comptroller objects 0111 - 1200, 1404 - 1455, 1457 - 1799, and 2000 - 2600 may be used.

Related Transactions:
TC 916:   Accrue Due to Other Fund Within an Agency

TC 938:   **Reclassify Expenditure to Deposit Liability for Distributions to State Agencies (GASB 38)**

Usage:

To reclassify a distribution expenditure to a State Agency to deposit liability for the month, quarter or year for financial statement purposes. This transaction does not auto reverse in the following month. This TC requires GASB 38 coding. The GAAP Expenditure Offset eliminates expenditures for financial reporting purposes only. This TC is for distributions to other state agencies.

Affects:

Trial Balance and GAAP Operating Statements

Record in R*STARS:

Distribution corrections should be recorded during Month 13.

Transaction:
DR   1551   Deposit Liability - Without DF Support
CR   3600   GAAP Expenditure Offset
           Requires Comptroller Object:
           Comptroller objects 6000 - 6200 may be used.
           G38 Code Required:
                   Format: 8 characters
                   *XXX Agency **receiving** distribution*
                   *XXXX Fund in Agency **receiving** distribution*
                   0 (zero) Filler

Related Transactions:
TC 909: Reclassify Expenditure to Deposit Liability; Record Securities Lending Expense-No Auto Reverse