CHAPTER E

GAAP OFFSET TRANSACTIONS
# TABLE OF CONTENTS

## Capital Asset Transactions
**Proprietary, Fiduciary, & Government-wide Reporting Fund**
- TC 537: Eliminate Excess Asset Value/Record Loss; Record Donated Asset .................................................. E-2
- TC 542: Accumulated Depreciation/Amortization .......................................................................................... E-3
- TC 545: Capital Asset Acquisition and Adjustment; Construction in Progress Adjustment; Capital Asset Impairment ............................................................................................................ E-4

## Receivables Transactions
**Governmental, Proprietary, & Fiduciary Funds – Loans and Advances Receivable**
- TC 145: Collection of a Noncurrent Loan Receivable .................................................................................. E-8
- TC 458: Establish/Adjust Noncurrent Loan Receivable ................................................................................. E-8
- TC 473: Establish/Adjust Loan Receivable .................................................................................................. E-9
- TC 446: Establish/Adjust Advance To Other Funds/Agencies ....................................................................... E-10
- TC 447: Adjust Advance To Other Funds/Agencies for Repayment ............................................................... E-10

**General Fund only - Advances Receivable**
- TC 486: Establish/Adjust Advance To Other Funds/Agencies ........................................................................ E-11
- TC 472: Adjust for Repayment - Advance To Other Funds/Agencies ............................................................... E-12

**Proprietary & Fiduciary Funds**
- TC 142: Collection of Noncurrent Note/Mortgage/Contract/Tax Receivable .................................................. E-13
- TC 289: Voucher Payable-Loan Receivable/Payable .................................................................................... E-13
- TC 298: Expenditure Transfer Paid to LGIP – Loan Receivable/Payable ....................................................... E-14
- TC 461: Establish/Adjust Noncurrent Notes/Mortgages/Contracts/State-owned Property/Taxes Receivable .......................................................................................................................... E-15
- TC 462: Establish/Adjust Noncurrent Liability or Noncurrent Receivable ...................................................... E-16
- TC 463: Charge Miscellaneous Revenue to a Noncurrent Receivable .......................................................... E-17
- TC 571: Revenue/Cash w/Bank - Establish/Adjust Noncurrent Liability & Noncurrent Receivable .......................................................... E-18

## Liabilities Transactions (No Bonds/COPS)
**Governmental, Proprietary, & Fiduciary Funds - Advances**
- TC 448: Establish/Adjust Advance From Other Fund/Agency ....................................................................... E-20
- TC 449: Adjust Advance From Other Fund/Agency for Repayment ............................................................... E-20

**Proprietary, Fiduciary, & Government-wide Reporting Fund**
- TC 457: Establish/Adjust Other Noncurrent Liabilities and Deferred Outflows/Inflows of Resources Related to Pensions .................................................................................................. E-21
- TC 459: Reduce Capital Lease Liability ........................................................................................................ E-22

## Bond/COP Transactions
**Proprietary, Fiduciary, & Government-wide Reporting Funds**
- TC 504: Establish or Adjust a Payable for Bonds, COPs, or TANs ................................................................. E-24
- TC 514: Establish Prepaid Expenses/Deferred Outflows/Inflows of Resources on Bonds/COP ................. E-25
- TC 516: Write Off Bond/COP Discount and Deferred Outflows/Inflows of Resources .............................. E-26
- TC 517: Write Off Bond/COP Original Premium ............................................................................................. E-26
TC 520: Amortize Original Discounts, Prepaid Insurance, and Deferred Outflows of Resources for Bonds/COPs ................................................................. E-27
TC 523: Amortize Original Premium on Bonds/COPs ............................................................ E-28
TC 524: Establish/Adjust Accreted Interest Payable on Bonds/COPs .................................... E-28
TC 526: Establish/Adjust Noncurrent Arbitrage Rebate Payable on Bonds/COPs .................. E-29
TC 527: Establish/Adjust Current Arbitrage Rebate Payable on Bonds/COPs ....................... E-29
TC 528: Reduce Liability for Principal/Advance Refunding of Bonds/COPs ......................... E-30
TC 558: Expenditure/Cash in Bank-To Reduce Liability ........................................................ E-31

Other Miscellaneous Transactions

Proprietary, Fiduciary Funds, Government-wide Reporting Fund
TC 440: Record/Adjust Short-Term Vacation Payable ............................................................ E-33
TC 442: Record/Adjust Noncurrent Vacation Payable ............................................................ E-33
TC 487: Adjust Valuation Account to Recognize Investments at Fair Value ......................... E-34

Governmental Funds
TC 502: Record/Adjust Inventories ...................................................................................... E-34
TC 510: Record/Adjust Prepaid Items .................................................................................. E-35
TC 564: Establish/Adjust Cash on Hand ............................................................................... E-35
TC 698: Record Prepayment of Legal Fees ......................................................................... E-36
TC 699: Record Receipt of Prepaid Legal Fees .................................................................... E-37

Proprietary & Fiduciary Funds
TC 194: Establish/Adjust Cash on Hand ............................................................................... E-37
TC 500: Record Prepaid Expense/ Inventories .................................................................... E-38
TC 779: Expenditure/Prepaid Legal Fees .......................................................................... E-38
TC 780: Revenue/Prepaid Legal Fees ................................................................................ E-39

Unearned Revenue Transactions

Governmental, Proprietary, & Fiduciary Funds
TC 164: Receipt of Unearned Revenue-No Document Support ............................................ E-41
TC 170: Receipt of Unearned Revenue-Document Supported ............................................... E-41
TC 443: Move Unearned Revenue and Cash Out ................................................................. E-42
TC 444: Move Unearned Revenue and Cash In .................................................................. E-43
TC 492: Recognize Earned Portion of Unearned Revenue-No Document Support ............... E-43
TC 493: Recognize Earned Portion of Unearned Revenue-Document Supported .................. E-44

Prior Period Adjustments
TC 113: Prior Period Adjustment/Revenue .......................................................................... E-46
TC 114: Prior Period Adjustment/Expenditure ..................................................................... E-46
TC 119: Prior Period Adjustment/Expenditure for Distributions to State Agencies (GASB 38) E-47
TC 124: Prior Period Adjustment/Transfers In .................................................................. E-48
TC 125: Prior Period Adjustment/Transfers Out ................................................................. E-48

Financial Statement Entries
TC 906: Estimated Accounts Payable Accrual with Auto-Reverse ..................................... E-51
TC 908: Reclassify Revenue to Deposit Liability; Record Securities Lending Income ........... E-51
TC 909: Reclassify Expenditure to Deposit Liability; Record Securities Lending Expense .... E-52
TC 915: Accrue Due From Other Funds Within Agency ..................................................... E-52
TC 938: Reclassify Expenditure to Deposit Liability for Distributions to State Agencies (GASB 38) .................................................................................. E-53
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) 529-535, 538, 539, 543, 544, 546, 547, 551-553, or 557 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:

<table>
<thead>
<tr>
<th>DR</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>3200</td>
<td>GAAP Revenue Offset</td>
</tr>
<tr>
<td>2330</td>
<td>Gain (Loss) on Disposition of Assets</td>
</tr>
<tr>
<td>2400</td>
<td>Contributions to Permanent Funds</td>
</tr>
<tr>
<td>2550</td>
<td>Capital Contributions</td>
</tr>
</tbody>
</table>

Requires Comptroller Object:

2330 Gain (Loss) on Disposition of Assets
2400 Contributions to Permanent Funds
2550 Capital Contributions

General Ledger Account Required:

0811 Works of Art and Historical Treasures-No Depreciation
0812 Works of Art and Historical Treasures-Depreciated
0815 Equipment and Machinery
0816 Motor Vehicles
0817 Data Processing Software
0818 Data Processing Hardware
0820 Other Intangible Assets (Amortizable)
0839 Other Intangible Assets (Not amortizable)
0840 State Highways
0841 Other Roads
0842 Tunnels and Bridges
0843 Airports
0844 Utility Systems
0845 Docks, Dikes, and Dams
0848 Land Use Rights (Not Amortized)
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
0863 Capital Leased Property

Related Transactions:

TC 149: Cash receipts from the sale of capital assets
TC 529: Fixed Asset Disposition/Adjustment - Motor Vehicles
**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)*

0871  Accum Amortization - Capital Leased Property  

*(7477 Amortization of Leased Property)*

0872  Accum Depreciation - Motor Vehicles  

*(7476 Depreciation Expense)*

0873  Accum Depreciation - Data Processing Hardware  

*(7476 Depreciation Expense)*
0875 Accum Depreciation - Buildings and Building Improvements
   \((7476 \text{ Depreciation Expense})\)
0876 Accum Depreciation - Art and Historical Treasures
   \((7476 \text{ Depreciation Expense})\)
0880 Accum Depreciation - State Highways
   \((7476 \text{ Depreciation Expense})\)
0881 Accum Depreciation - Tunnels and Bridges
   \((7476 \text{ Depreciation Expense})\)
0882 Accum Depreciation – Airports
   \((7476 \text{ Depreciation Expense})\)
0883 Accum Depreciation - Utility Systems
   \((7476 \text{ Depreciation Expense})\)
0884 Accum Depreciation - Docks, Dikes, and Dams
   \((7476 \text{ Depreciation Expense})\)
0885 Accum Depreciation - Other Roads
   \((7476 \text{ Depreciation Expense})\)

\[
\begin{array}{ll}
\text{DR} & 3018 \quad \text{Invested in Capital Assets} \\
\text{CR} & 3074 \quad \text{Change in Capital Assets}
\end{array}
\]

**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)
0820  Other Intangible Assets (Amortizable)  
       (5915 Other Intangible 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)  
0863  Capital Leased Property  
   (5770/5775 Capital Leased Property)  
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:
  - 0931 Loans 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:
  - 0931 Loans Receivable
  - 0936 Allowance for Uncollectible-Noncurrent-Loan 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 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 owning 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 owning the Advance  
XXXX Fund in Agency owning 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 not 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 owning the Advance  
XXXX Fund in Agency owning 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 - 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
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:

**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
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 (Incur 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
- 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 (In 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
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 with TC 461 in a proprietary, fiduciary or government-wide reporting fund (not to reduce them for payments received; use TC 142 for that). 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
1280  Lease Purchase Contracts Payable - Current
1281  Obligation Under Capital Lease – Current
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 (Inurred 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
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
CR  3200  GAAP Revenue Offset

Requires Comptroller Object:
Comptroller objects 0111 - 2600 may be used.
Related Transactions: \textit{NONE}

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

\textbf{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.

\textbf{Affects:}

Trial Balance and GAAP Operating Statements

\textbf{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.

\textbf{Transaction:}

\begin{tabular}{ll}
DR & 3200 GAAP Revenue Offset \\
CR & \textit{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 \\
 & 1280 Lease Purchase Contracts Payable-Current \\
 & 1281 Obligation Under Capital Lease-Current \\
 & 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 \\
 & 1730 Original/Acquisition Loan Fees \\
 & 1735 Loans Payable \\
 & 1740 IBNR Reserves-Risk Management \\
 & 1750 Notes Payable-Noncurrent \\
 & 0077 Cash - in Bank \\
 & 3100 Revenue Control - Cash \\
\end{tabular}

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

\textbf{Related Transactions:}

\textit{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
- **CR** 1800 Advances From Other Funds/Agencies

**Requires Comptroller Object:**
- 1105 Other Revenue
- 1600 Loan Proceeds

**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

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

Transaction:
DR  3600  GAAP Expenditure Offset
Revised Comptroller Object:

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

CR  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
1577  Trust Funds Payable - Noncurrent
1650  Pension-Related Debt - Current
1717  Claims and Judgment Payable
1720  Accounts Payable - Noncurrent
1722  Contracts Payable - Retainage
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
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

Related Transactions: NONE

TC 459: Reduce Capital Lease Liability - Proprietary, Fiduciary, and Government-wide Reporting Funds

Usage:
To reduce the lease liability balance when payments are made on a capital lease or installment purchase with TC 222 or 225. 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. Minimally, at least once a year for the total of the principal paid to the lessor.

Transaction:
DR  General Ledger Account Required:
  1715  Lease-Purchase Contracts Payable-Noncurrent
  1716  Obligations Under Capital Lease-Noncurrent
CR  3600  GAAP Expenditure Offset

Requires Comptroller Object:
All capital outlay objects (5100 - 5975) may be used; should use the same objects used to record payments (TC 222 or 225).

Related Transactions:
TC 466: To record capital leased property and the related liability
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

CR 1605 Tax Anticipation Note Proceeds

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:**
<table>
<thead>
<tr>
<th>DR</th>
<th>General Ledger Account Required:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0602 Prepaid Expenses</td>
</tr>
<tr>
<td></td>
<td>1000 Deferred Outflows – Loss on Debt Refunding</td>
</tr>
<tr>
<td></td>
<td>1702 Discount on COPs Sold</td>
</tr>
<tr>
<td></td>
<td>1703 Premium on COPs Sold</td>
</tr>
<tr>
<td></td>
<td>1712 Discount on Bonds Sold</td>
</tr>
<tr>
<td></td>
<td>1713 Premium on Bonds Sold</td>
</tr>
<tr>
<td></td>
<td>1732 Disc on Bonds Sold – Direct Place/Borrow</td>
</tr>
<tr>
<td></td>
<td>1733 Prem on Bonds Sold – Direct Place/Borrow</td>
</tr>
<tr>
<td></td>
<td>1851 Deferred Inflows – Gain on Debt Refunding</td>
</tr>
<tr>
<td></td>
<td>1852 Deferred Inflows – Loan Origination</td>
</tr>
<tr>
<td>CR</td>
<td>3600 GAAP Expenditure Offset</td>
</tr>
</tbody>
</table>

**Requires Comptroller Object:**
- 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
      0401   Administrative and Service Charges
      2315   Loss on Bond Call - Capitalization Write-off
      2316   Loss on COP Call - Capitalization Write-off

CR    General Ledger Account Required:
      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
      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:
Trial Balance and GAAP Operating Statements
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 of 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
    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  
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:

<table>
<thead>
<tr>
<th>DR</th>
<th>General Ledger Account Required:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1276 Bonds Payable - Current</td>
</tr>
<tr>
<td></td>
<td>1277 Bonds Pay–Current – Direct Place/Borrow</td>
</tr>
<tr>
<td></td>
<td>1279 COP Payable - Current</td>
</tr>
<tr>
<td></td>
<td>1704 COPs Payable - Noncurrent</td>
</tr>
<tr>
<td></td>
<td>1714 Bonds Payable - Noncurrent</td>
</tr>
<tr>
<td></td>
<td>1734 Bonds Pay–Noncurr – Direct Place/Borrow</td>
</tr>
<tr>
<td>CR</td>
<td>3600 GAAP Expenditure Offset</td>
</tr>
</tbody>
</table>

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 Vacation Payable – Proprietary, Fiduciary, and Government-wide Reporting Funds

Usage:
To record increase (TC 440) or decrease (TC 440R) in short-term vacation 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 Vacation Payable - Current

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

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

Usage:
To record increase (TC 442) or decrease (TC 442R) in noncurrent vacation 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 Vacation Payable - Noncurrent

Related Transactions:
TC 440: Short-Term Vacation 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
- **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
    - 0830 Net Increase (Decrease) in FV of Investments

**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)
- **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
  - 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 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 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:
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:
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
PRIOR PERIOD ADJUSTMENTS
TC 113: Prior Period Adjustment/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 prior period adjustment. Receipt of the revenue will affect current revenue balances for budgetary reporting and control, but the revenue will be reclassified to a prior period adjustment for GAAP reporting.

Affects:
Trial Balance and GAAP Operating Statements

Record in R*STARS:
When prior period adjustment 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 - 1700, 1900, 2000 - 2639, and 2670.

- **CR** General Ledger Account Required:
  - 3060 Prior Period Adjustment
  - 3062 Prior Year Post Closing Adjustment
  - 3064 Accounting Change

Related Transactions:
TC 114: Prior Period Adjustment / Expenditure
TC 119: Prior Period Adjustment / Expenditure for Distributions to State Agencies

TC 114: Prior Period Adjustment/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 prior period adjustment.

Affects:
Trial Balance and GAAP Operating Statements

Record in R*STARS:
When prior period adjustment expenditure is known.
**Transaction:**
DR  General Ledger Account Required
3060  Prior Period Adjustment
3062  Prior Year Post Closing Adjustment
3064  Accounting Change
CR  3600  GAAP Expenditure Offset

*Requires Comptroller Object:*
*Comptroller objects 3111 - 5999 or 6201 - 7600 may be used.*

**Related Transactions:**
TC 113:  Prior Period Adjustment/Revenue
TC 119:  Prior Period Adjustment/Expenditure for Distributions to State Agencies

**TC 119: Prior Period Adjustment/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 prior period adjustment.

**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  Prior Period Adjustment
3062  Prior Year Post Closing Adjustment
3064  Accounting Change
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:** **NONE**
TC 124: Prior Period Adjustment/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 prior period adjustment. 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 prior period adjustment to transfer in is known.

Transaction:
DR 3350 GAAP Transfers In Offset
Requires Comptroller Object:
Comptroller objects 1286-1400 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 Prior Period Adjustment
3062 Prior Year Post Closing Adjustment
3064 Accounting Change

Related Transactions:
TC 125: Prior Period Adjustment/Transfers Out

TC 125: Prior Period Adjustment/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 prior period adjustment. 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 prior period adjustment to transfer out is known.
Transaction:

DR  General Ledger Account Required
    3060  Prior Period Adjustment
    3062  Prior Year Post Closing Adjustment
    3064  Accounting Change

CR  3750  GAAP Transfers Out Offset

 Requires Comptroller Object:
The following comptroller objects are allowed:

G38 Code Required:
Format: 8 characters
XXX Agency receiving Transfer
XXXX Fund in Agency receiving Transfer
0 (zero) Filler

Related Transactions:
TC 124: Prior Period Adjustment/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
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
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:
MC 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