

**STATE OF WISCONSIN
STATE ACCOUNTING MANUAL**

SECTION:	II Budgetary Accounting	EFFECTIVE DATE:	July 1, 2003
SUB-SECTION:	8 – Non-budget Appropriations (clearing and custody appropriations)	REVISION DATE:	February 27, 2008
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INTRODUCTION

State statutes authorize the Department of Administration to establish two types of non-budget appropriations for agency use: 1) Custody accounts (appropriations); and 2) Clearing accounts (appropriations). Each type of appropriation has specific statutory restrictions. These types of appropriations are referred to as “non-budget” appropriations because they are not specifically established for each agency in the Chapter 20 budget schedule. The non-budget appropriations are numbered in the 9xx appropriation series.

Agencies should follow the procedures established in this sub-section. At the end of each fiscal year, the State Controller’s Office will review the trial balance of each non-budget appropriation and contact the agency’s financial manager if adjustments are necessary.

CUSTODY APPROPRIATIONS

Section 20.907(5) Wisconsin Statutes, authorizes the use of “custody accounts” (custody appropriations) for the specific purposes listed. In general, custody appropriations were established to allow agencies to collect and disburse moneys that are payable to persons other than the state. The following table lists the standard custody appropriations that should be used by state agencies (additional, agency-specific custody appropriations are authorized under 20.907(5)):

Statute 20.907(5)(e)	Standard Custody Appropriation Type	Appn No.	State Acct Manual Section/Subsection
(1)	Credit and Debit Card Processing Fees/Other Deposits held for others	945	V/15
(2)	NSF Checks	993	VI/7
(3)	Sales Taxes	902	VI/8
(4)	Insurance Losses	999	VI/9
(12)	Contingent Funds	993	V/9
(13)	Indirect Cost Reimbursements	908	VI/10

Beginning in fiscal year 2004, non-budget, custody appropriations will be designated in the WiSMART system with a fund source of “CUST”. Only those appropriations that are authorized under Section 20.9075(5)(e) will be designated with the “CUST” fund source.

Accounting and Year-end Adjustments

Typically, revenues and expenditures will be recorded to custody appropriations in the same amount. However, because of timing differences, a custody appropriation may have a net revenue or expenditure balance remaining at year end. State agencies should review custody appropriation balances as part of the fiscal year-end closing process and determine if any adjusting entries are necessary. Please see the specific State Accounting Manual subsections identified above for detailed accounting procedures.

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CLEARING APPROPRIATIONS

Section 20.904(1) Wisconsin Statutes authorizes the use of “clearing accounts” (clearing appropriations).

Clearing appropriations are only to be used when, at the time of receipt or disbursement, the state agency does not have sufficient information to distribute the revenue or expenditure to the appropriate Chapter 20 appropriations. The following table lists the standard clearing appropriations that have been approved by the State Controller’s Office:

Standard Clearing Appropriation Type	Appn No.	State Acct Manual Section/Subsection
Sale of Surplus Property	963	none
Rejected ACH Payments	965	none
Travel Advances	967	V/10
Cancelled Drafts	995	none
Payroll	997	none
Payroll	998	none

Accounting and Year-end Adjustments

All revenues and expenditures recorded to clearing appropriations must be “cleared” at least monthly (i.e. all revenues and expenditures must be transferred out of the clearing appropriations to Chapter 20 appropriations). At fiscal year end, there must not be any remaining revenue or expenditure balances in any clearing appropriation. The State Controller’s Office will review all 9xx series appropriations at fiscal year-end to ensure that all clearing appropriations are cleared.

Establishing Non-Budget Appropriations

Agencies that wish to establish a standard clearing or custody appropriation as listed in this sub-section should enter the AP transaction and forward a request to approve the transaction to their budget analyst in the State Budget Office (agencies should use the standard appropriation numbers listed in this sub-section). Agencies that wish to establish other non-standard clearing or custody appropriations should email a request to Janel Wolff in the State Controller’s Office prior to entering the AP transaction (janel.wolff@wisconsin.gov).