

**STATE OF WISCONSIN
STATE ACCOUNTING MANUAL**

SECTION:	VI Revenues	EFFECTIVE DATE:	July 1, 1993
SUB-SECTION:	4 - Incidental Receipts	REVISION DATE:	July 1, 1993
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INCIDENTAL RECEIPTS

Incidental receipts include all moneys resulting from financial transactions which are beyond the scope of, and only incidental to, the activities usually and normally associated with a particular program or service operation. Miscellaneous revenue is distinguishable from refunds of expenditures in that the latter represent adjustments related directly to a particular previously recorded expenditure. The accounting treatment afforded incidental receipts is as follows:

1. If the original funding source was from a General Purpose Revenue (GPR) appropriation, any proceeds and/or allowances realized in the sale or other disposition of items thus funded shall be considered as a nonappropriated receipt and recorded as GPR earned. GPR-earned appropriations do not have spending allotment lines (1-9). These appropriations are defined solely by the revenue line (**R).
2. If the original source of funding was from a Continuing or Program Revenue appropriation, any proceeds and/or allowances realized in the sale or other disposition of items thus funded shall be recorded as miscellaneous revenues.

Exceptions to the above accounting treatment:

1. Third Party Sales Related Directly to Upgrades and Replacements - Agencies may determine the need to upgrade facilities or equipment which has been purchased in prior years from Sum Certain appropriations. If the equipment upgrade is budgeted for on the net basis, that is, only the difference in cost between the new equipment and the old equipment is incorporated into the agency's budget, and if sale and purchase occur in the same fiscal year then the agency should record the value received for the old equipment as a refund of expenditure applied against the purchase of the new equipment. If these transactions occur in different fiscal years, the value received for the old equipment should be recorded as miscellaneous revenues. However, in order to receive this accounting treatment an agency must demonstrate the transaction's consistency with budgetary intent and also that the new equipment is a direct replacement of the old equipment.
2. Trade in Credit - is the amount given for an old item used in trade toward the purchase of a new item. Record as a refund of expenditure.
