



WISCONSIN ACCOUNTING MANUAL
 Department of Administration – State Controller’s Office

Section	05	ACCOUNTS PAYABLE, INTER AND INTRA UNIT PAYMENTS AND TRANSFERS	Effective Date	3/1/2017
Sub-section	15	Refund of Revenue Payments Involving Projects	Revision Date	3/1/2017
SAM Ref	n/a			

DRAFT

BACKGROUND

State agencies will sometimes receive incorrect payment amounts from their customers, and all or a portion of the payment must be returned. Since the incoming payment is usually recorded to a revenue account, the outgoing refund payment to the customer debits the same revenue account. This is problematic in STAR, because the Project Costing subsystem assumes that payments made through the Accounts Payable subsystem are related to expenditures – even though a revenue account is utilized. This creates an imbalance between the General Ledger and the Project Costing subsystem.

POLICIES

1. A balance sheet account has been established to record outgoing refund of revenue payments that involve projects. Agencies must use this account on their payment transaction (without a project code), and then process a GL journal transaction to reverse the balance sheet entry and record the revenue debit to the project.

PROCEDURES

DR/CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Account Name
DR	XXXXX	500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	2799000	Project Clrg – Refund of Revenue
CR	XXXXX	-500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	2000000	Accounts Payable - Control

To record a refund of a \$500 customer payment involving a project - in the AP subsystem.

DR/CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Project	Account Name
DR	XXXXX	500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	4600000	XXXXXXXXXX	General Licenses & Permits
CR	XXXXX	-500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	2799000		Project Clrg – Rfd of Rev

To reverse the project clearing - refund of revenue balance sheet account and record the revenue debit to the appropriate project.