



WISCONSIN ACCOUNTING MANUAL

Department of Administration – State Controller's Office

Section	07	REVENUE AND ACCOUNTS RECEIVABLE	Effective Date	7/1/2015
Sub-section	08	Indirect Cost Reimbursements	Revision Date	
SAM Ref	6-10			

BACKGROUND

Section 20.907(5)(e)(4), Wisconsin Statutes authorizes state agencies to record revenues and expenditures related to insurance losses within a custody appropriation.

POLICIES

1. The State Controller's Office has designated NON-BUDGET custody appropriation 99900 for agencies to record insurance losses.

PROCEDURES

DR/CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Acct Name
DR	XXXXX	10,000	FY 2016	XXXXX	99000	XXXXXXXXXX	1000000	Treasurer's Cash
CR	XXXXX	-10,000	FY 2016	XXXXX	99000	XXXXXXXXXX	5945000	Insurance Loss Recoveries

To record \$10,000 in insurance loss recoveries.

DR/CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Acct Name
DR	XXXXX	10,000	FY 2016	XXXXX	99000	XXXXXXXXXX	Exp	Various Expenditures
CR	XXXXX	-10,000	FY 2016	XXXXX	99000	XXXXXXXXXX	1000000	Treasurer's Cash

To record disbursements related to insurance losses.



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Accounting Treatment:

Appropriation Type	Timing of Receipt	Proper Accounting Treatment
<i>Sum Certain Appropriations</i>		
GPR - Annual, Biennial or Continuing	Same FY as expenditure	Credit to appropriation and code of related expenditure.
	Different FY than expenditure	GPR - Earned-Revenue code 5949000
PR – Annual, Biennial	Same FY as expenditure	Credit to appropriation and code of related expenditure.
	Different FY than expenditure	Revenue code 5949000 in PR appropriation
SEG - Executive-Annual, Biennial or Continuing	Same FY as expenditure	Credit to appropriation and code of related expenditure.
	Different FY than expenditure	Unassigned Revenues SEG - Revenue code 5949000 (equivalent to GPR - Earned appropriation in SEG fund)
SEG - Revolving – Annual, Biennial	Same FY as expenditure	Credit to appropriation and code of related expenditure.
	Different FY than expenditure	Revenue code 5949000 in SEG Revolving appropriation
<i>Non-Sum Certain Appropriations</i>		
PR - Continuing	Same FY as expenditure	Credit to appropriation and code of related expenditure.
	Different FY than expenditure	Credit to appropriation and code of related expenditure.
SEG - Revolving-Continuing	Same FY as expenditure	Credit to appropriation and code of related expenditure.
	Different FY than expenditure	Credit to appropriation and code of related expenditure.
Sum Sufficient - GPR, PR SEG-Executive or SEG- Revolving	Same FY as expenditure	Credit to appropriation and code of related expenditure.
	Different FY than expenditure	Credit to appropriation and code of related expenditure.



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List of Approved Refunds of Expenditures:

Receipts related to the following situations are considered to meet the definition of a refund of an expenditure and **if received in the same fiscal year** as the expenditure can be recorded as reductions to an expenditure code without requesting Department of Administration approval. If not received in the same fiscal year the above chart indicates the accounting treatment for these receipts.

*Examples of receipts that comply with the definition of a refund of expenditure (provided they are **received in the same fiscal year** as the original recording of the expenditure):*

- Vendor adjustment of price
- Return of a product for refund
- Redeposit of checks written in error
- Refunds for overpayments or overcharges by vendor
- Receipts from agency interchange agreements
- Reimbursements for personal use of telephones
- Reimbursements for travel or other non-state expenses (other than grant reimbursement programs).
- Reimbursements from DOA for fleet car expenses. The expenses would normally be charged on the state fleet charge card, however in these instances the card was not accepted. DOA reimburses the agency because these costs are part of the fleet rates.
- Reimbursements from Unions for employee time spent in union meetings. These are refunds of expenditures only if someone was required to work in place of the employee.

In some of the above instances these reimbursements can be received from a party different from the one paid for the expenditure.

List of Receipts That are Not Refunds of Expenditures:

In accordance with S. 20.001(5) receipts that are not identified in the above listing must receive written approval from the State Controller's Office (SCO) in order to be recorded as refunds of expenditures. Receipts that do not receive this approval should be recorded as revenues.

*Examples of receipts that **do not** meet the definition of a refund of expenditure:*

- Sales of permanent property



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- Witness fees
- Sales of surplus items
- Revenue bond reimbursements
- Real estate rentals
- Equipment rentals
- Sales of publications
- Pay phone commissions
- Registration fees for agency sponsored conferences
- Charges for copies
- Charges/sales where the amount charged is based on a calculated rate or an estimate of the costs
- Employee reimbursements for personal use of state vehicles (the rate charged for reimbursement is an established rate not directly associated to the cost)
- Amounts received from the Work Supplementation Program (WSP) for hiring WSP individuals. These are subsidies or grants intended to cover the hiring and training costs.

Request for Approval to Record a Refund of an Expenditure:

An amount received by an agency (related to a sum certain appropriation), which the agency contends is a refund of expenditure but which does not appear on the approved list, must be recorded in a revenue account and a written request for approval to record the receipt as a refund of expenditures must be submitted to the State Controller's Office (SCO). The request must include a detailed explanation supporting the agency's contention that the receipt meets the statutory definition of a refund of expenditure and should identify the appropriation involved. The request must also include a reference to a statutory or nonstatutory law for the function of the agency under which the expenditure was made. The SCO shall determine whether the receipt meets the definition of a refund of expenditure. The agency will be informed how to account for this receipt. These requests should be addressed to: Jim Behrend, State Controller's Office, 5th Floor, 101 East Wilson Street or sent by e-mail.
