



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

<b>Section</b>	<b>07</b>	<b>REVENUE AND ACCOUNTS RECEIVABLE</b>	<b>Effective Date</b>	<b>3/1/2017</b>
<b>Sub-section</b>	<b>11</b>	<b>Refund of Expenditure Deposits Involving projects</b>	<b>Revision Date</b>	<b>3/14/2017</b>
<b>SAM Ref</b>	<b>n/a</b>			

**BACKGROUND**

State agencies will sometimes make incorrect payments to their suppliers, and all or a portion of the payment must be returned back from the supplier and deposited. Since the original outgoing payment is usually recorded to an expenditure account, the incoming refund payment from the supplier credits the same expenditure account (depending on the applicable refund of expenditure rules – see Section 07-05). This is problematic in STAR, because the Project Costing subsystem assumes that deposits recorded through the Accounts Receivable subsystem are related to revenues – even though an expenditure 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 incoming refund of expenditure payments from suppliers that involve projects. Agencies must use this account on their deposit transaction (without a Project ID), and then process a GL journal transaction (with a Project ID, Activity and Source) to reverse the balance sheet entry and record the expenditure credit to the appropriate 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	1000000	Treasurer’s Cash
CR	XXXXX	-500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	1499000	Project Clrg – Rfd of Expend

To record an incoming supplier refund check for a \$500 agency payment involving a project - in the AP subsystem.

DR /CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Proj	Actv	Src	Acct Name
DR	XXXXX	500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	4600000	XXXXXXXXX	XXXXX	XXX	Gen -Lic & Permits
CR	XXXXX	-500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	2799000	n/a	n/a	n/a	Proj Clrg – Rfd of Rev

DR/CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Project	Account Name
DR	XXXXX	500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	1499000		Project Clrg – Rfd of Expend
CR	XXXXX	-500.00	FY 2017	XXXXX	XXXXX	XXXXXXXXXX	7500000	XXXXXXXXX	Electricity



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