



WISCONSIN ACCOUNTING MANUAL

Department of Administration – State Controller’s Office

Section	07	REVENUE AND ACCOUNTS RECEIVABLE	Effective Date	3/1/2015
Sub-section	05	Statutory Refunds of Expenditures and Non-Statutory Refunds of Expenditures	Revision Date	08/16/2023
SAM Ref	6-6			

BACKGROUND

Pursuant to s. 20.001(5), Wis. Stats., Refunds of Expenditures (referred to within this *Wisconsin Accounting Manual* sub-section as “Statutory Refunds of Expenditures”) are defined as:

Any amount not otherwise appropriated under this chapter that is received by a state agency as a result of an adjustment made to a previously recorded expenditure from a sum certain appropriation to that agency due to activities that are of a temporary nature or activities that could not be anticipated during budget development and which serves to reduce or eliminate the previously recorded expenditure in the same fiscal year in which the previously recorded expenditure was made, except as provided in ss. 20.435 (4) (gm) and 20.437 (2) (md), may, upon request of the agency, be designated by the secretary of administration as a refund of an expenditure. Except as otherwise provided in this subsection, the secretary of administration may designate an amount received by a state agency as a refund of an expenditure only if the agency submits to the secretary a written explanation of the circumstances under which the amount was received that includes a specific reference in a statutory or nonstatutory law to a function of the agency under which the amount was received and the appropriation from which the previously recorded expenditure was made. A refund of an expenditure shall be deposited by the receiving state agency in the appropriation account from which the previously recorded expenditure was made. Except as otherwise provided in this subsection, a state agency which proposes to make an expenditure from moneys designated as a refund of an expenditure shall submit to the secretary of administration a written explanation of the purpose of the expenditure, including a specific reference in a statutory or nonstatutory law to a function of the agency under which the expenditure is to be made and the appropriation from which the expenditure is to be made. After submission and approval of an estimate of the amount proposed to be expended under s. 16.50 (2), a state agency may expend the moneys received from the refund of the expenditure. The secretary of administration may waive submission of any explanation required by this subsection for categories of refunds of expenditures or proposed refunds of expenditures.

Policies related to Statutory Refunds of Expenditures are prescribed in state statutes, with further instruction and procedures described in this *Wisconsin Accounting Manual* sub-section.

Additionally, guidance and the appropriate accounting treatment related to refunds in non-sum certain appropriations (referred to within this *Wisconsin Accounting Manual* sub-section as “Non-statutory Refund(s) of Expenditure(s)”) is described below.



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DEFINITIONS

1. ***Statutory Refunds of Expenditures***: The statutorily defined conditions necessary to classify receipts as Refunds of Expenditures as outlined in s. 20.001(5), Wis. Stats. Any amount not otherwise appropriated under Chapter 20, Wis. Stats., that is received by a state agency as a result of an adjustment made to a previously recorded expenditure from a **sum certain appropriation** to that agency must meet **all** of the following criteria to be classified as a Statutory Refund of Expenditure:
 - a. Amount relates to a previously recorded expenditure (a specific recorded expenditure) (e.g., a P-Card transaction, voucher, or expense report for a specific amount for a specific good or service). Amounts received as a result of established rates or estimated costs do not meet this requirement;
 - b. Amount is of a **temporary** and **not recurring** nature or relates to an activity that could not have been anticipated during budget development;
 - c. Amount is received in the **same fiscal year** as the previously recorded expenditure; and
 - d. Amount has been approved by the Department of Administration (DOA) through one of the following acceptable methods:
 - i. The amount has been waived from the approval process through inclusion on the *List of Preapproved Statutory Refunds of Expenditures* below, or
 - ii. If the amount is not included on the *List of Preapproved Statutory Refunds of Expenditures* below, Agency submits to DOA a written explanation containing both of the following:
 - Circumstances under which the amount was received that includes a specific reference to a function of the agency under which the amount was received, and
 - Appropriation from which the previously recorded expenditure was made.

2. ***Non-Statutory Refunds of Expenditures***: The defined conditions necessary to classify receipts as refunds related to non-sum certain appropriations which are not covered by s. 20.001(5), Wis. Stats. Any amount that is received by a state agency as a result of an adjustment made to a previously recorded expenditure from a **non-sum certain appropriation** to that agency must meet **all** of the following criteria to be classified as a Non-Statutory Refund of Expenditure:
 - a. Amount relates to a previously recorded expenditure (a specific recorded expenditure) (e.g., a P-Card transaction, voucher, or expense report for a specific amount for a specific good or service). Amounts received as a result of established rates or estimated costs do not meet this requirement; and
 - b. Amount is of a **temporary** and **not recurring** nature or relates to an activity that could not have been anticipated during budget development.



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POLICIES

1. The provisions under s. 20.001(5), Wis. Stats., apply to receipts related to expenditures charged to sum certain appropriations. Non-Statutory Refunds of Expenditures are not covered by this statutory citation; however, guidance related to accounting for these non-statutory refunds of expenditures is defined below. Consult s. 20.001(6)(b), Wis. Stats., for use of “applied receipts” related to sum sufficient appropriations.
2. Situations where expenditures are recorded, for convenience, in one agency, fund or appropriation and are later allocated to another agency, fund, or appropriation should not be considered Refunds of Expenditures under s. 20.001(5), Wis. Stats. Generally, accepted accounting principles define these as reimbursements that should be recorded as credits to the expenditures. The reallocation of these expenditures should occur in the same fiscal year as the recording of the original expenditures. Since these transactions are not covered by the definition in s. 20.001(5), Wis. Stats., it is not necessary for an agency to request DOA approval to allocate these expenditures.
3. The following table includes a list of receipts that are considered to meet definition 1.d.i. above for Statutory Refunds of Expenditures and if all other criteria of the definition are met, the receipts can be recorded as Statutory Refunds of Expenditures without requesting approval from DOA.

<i>List of Preapproved Statutory Refunds of Expenditures</i>
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
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.



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4. The following table includes a list of examples of receipts that are **not** considered to meet the criteria definition 1.d.i. above for Statutory Refunds of Expenditures and should be recorded as revenues:

<i>Receipts that are not Statutory Refunds of Expenditures</i>
Sales of permanent property
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



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PROCEDURES

1. If the receipt is not listed in the *List of Preapproved Statutory Refunds of Expenditures* in policy #3 above, the amount must be recorded in a revenue account and the agency must submit a written request to SCO for approval to record the receipt(s) as a Statutory Refund of Expenditure. The written request must include the circumstances under which the amount was received that includes a specific reference to a function of the agency under which the amount was received and the appropriation from which the previously recorded expenditure was made. These requests should be sent to the State Controller’s Office, via e-mail, at the following shared inbox: DOADEBFAuditServices@wisconsin.gov. The SCO shall determine whether the receipt meets the definition of a Statutory Refund of Expenditure.
2. Statutory Refunds of Expenditures should be accounted for as follows:

Appropriation Type	Timing of Receipt	Proper Accounting Treatment
<i>Sum Certain Appropriations – appropriation amount ‘set forth’ in the Chapter 20 schedule</i>		
GPR – Annual, Biennial, or Continuing	Same FY as expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
PR – Annual or Biennial	Same FY as expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
SEG – Executive-Annual, Biennial or Continuing	Same FY as expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
SEG - Revolving – Annual, Biennial	Same FY as expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).

If the qualifying Statutory Refunds of Expenditures exceed the appropriation’s budgetarily established sum certain amount, the excess must be recorded into revenue account 5949000 – *Refund Prior Year Expenditures*, until such time that the appropriation expenditures are sufficient to offset the amount of the refund (notwithstanding the between-year rules above). At that time, a GL journal transaction should be processed to debit account 5949000 and credit the expenditure account.



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3. Non-Statutory Refunds of Expenditures should be accounted for as follows:

Appropriation Type	Timing of Receipt	Proper Accounting Treatment
Sum Certain Appropriations – <i>appropriation amount ‘set forth’ in the Chapter 20 schedule</i>		
GPR – Annual, Biennial, or Continuing	Different FY than expenditure	Credit to GPR – Earned Appn (e.g., 100GE); Revenue Account Code 5949000
PR – Annual or Biennial	Different FY than expenditure	Revenue account code 5949000 in same PR appropriation
SEG – Executive-Annual, Biennial or Continuing	Different FY than expenditure	Credit to SEG – Earned Appn (e.g., 100SE); Revenue account code 5949000 (equivalent to GPR - Earned appropriation in SEG fund)
SEG - Revolving – Annual, Biennial	Different FY than expenditure	Revenue account code 5949000 in SEG Revolving appropriation
Non-Sum Certain Appropriations – <i>appropriation amount ‘anticipated’ in the Chapter 20 schedule</i>		
PR – Continuing	Same FY as expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
	Different FY than expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
SEG – Revolving-Continuing	Same FY as expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
	Different FY than expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
Sum Sufficient – GPR, PR, SEG-Executive, or SEG-Revolving	Same FY as expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).
	Different FY than expenditure	Credit to appropriation(s) and account code(s) of related expenditure(s).