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## 6 CASH RECEIPTS

### 6.1 Cash Receipts Overview

This section defines the policies of OSRAP and the State Treasurer for proper receipting, depositing and safeguarding monies received by state agencies. It also establishes guidelines for the receipt and deposit of:

- Revenues
- Refunds of Expenditures
- Collections against Receivables
- Deferred Revenues

#### 6.1.1 Cash Receipts Policies

The following policies apply when processing Cash Receipts in GFS and are in compliance with Section 372 of R.S. Title 39, Louisiana Revised Statutes:

- The Louisiana Constitution Article VII, Section 9 (A) requires "all monies received by the State or by any state board, agency, or commission shall be deposited immediately upon receipt in the State Treasury, except for certain exceptions listed therein."  
(NOTE: "Immediately" is defined as "within 24 hours of receipt." The State Treasury cash management practices requires state-depositing entities to deposit receipts in the State's central depository account or designated regional depository accounts. The depositing agency is responsible for revenue classification in the accounting system.
- Agencies (within Baton Rouge area) should prepare deposits and related materials so they can be delivered to the State Treasurer's Office by 1:30 p.m. on the same day of deposit. This enables the State to get "same day credit" on all deposited items.
- Deposits are first entered into GFS by the State Treasurer utilizing the Deposit Suspense (DS) document.
- Each agency is responsible for establishing procedures to ensure that all monies received are properly safeguarded, deposited, and recorded in the State's accounting system.
- Agency depositing procedures should safeguard the assets and the individuals handling the money, and provide timely depositing of funds.
- Monies received for refund of expenditures after the August 14 close (Period 13) of the fiscal year in which the expenditure was made are to be deposited as income not available to the appropriate fund in the current fiscal year. Exceptions to this may be federal and

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other revenues that may be carried forward.

- Deferred revenues recorded during the current fiscal year must be reversed and recognized as revenues at the time the revenues are earned.
- If an agency needs clarification on the proper classification of monies received or if any provisions of this policy statement conflict with federal regulations contact OSRAP.
- At least one level of agency approval is required for the GFS Cash Receipts (CR) transaction. Agencies, at their own option, can require up to three levels of approval.
- State agencies must submit a Cash Management Review Board (CMRB) application for a new bank account on the "**Bank Account Set-Up/Change Form**" (FORM BANK) to the State Treasurer if a new bank account or change to an existing bank account is desired. Applications are reviewed by the CMRB and agencies will be notified of the CMRB's decision. If approved, agencies are responsible for setting up the new bank account or changes to existing bank accounts. The State Treasurer's Office will establish the new bank code in GFS and advise the agency.
- The Cash Management Review Board authorizes each state agency to establish checking accounts for the purpose of issuing checks pursuant to legislative appropriation. The bank accounts are the responsibility of the state agency. In addition to an appropriation, the agency must have sufficient budget and cash for the amount of the checks to be written. If during the course of the fiscal year, the State Treasurer determines that an insufficient interfund borrowing base exists, then checks funded by General Fund means of financing will not be processed in excess of the available borrowable resources. The Division of Administration will release those checks in accordance with a priority order established by the Division.
- Agencies are responsible for reconciling their own depository bank accounts ~~on the Bank Account Reconciliation FORM \_\_\_\_\_ and submitting it to the State Treasurer.~~ on a form designed by the agency and approved by the State Treasurer.
- All supporting documentation for Cash Receipt (CR) transactions will be maintained at agency locations. These documents must be retained for three years, either on site or in the State Records Center according to arrangements made with State Archives.

## **6.2 Cash Receipts - Bank Account (BANK) Table Overview**

The Bank Account (BANK) table defines codes for all the bank accounts maintained in the GFS system. It identifies the bank handling the account and the default balance sheet code of related cash accounts.

### **6.2.1 Cash Receipts - Bank Account (BANK) Table Policies**

The following policies apply to the Bank Account (BANK) table in GFS:

- \* The State Treasurer is responsible for maintaining the Bank Account (BANK) table. All depository bank accounts will be identified and set up on the Bank Account table by the State Treasurer.
  
- \* All depository bank accounts will be identified and set up on the Bank Account table by the State Treasurer.

### **6.2.2 Cash Receipts - Bank Account (BANK) Table Procedures**

<b>Responsibility</b>	<b>Action</b>
-----------------------	---------------

State Treasurer	Establishes and maintains the Bank Account (BANK) table. All depository bank accounts will be identified and set up on the Bank Account table by the State Treasurer.
-----------------	---

### 6.2.2.1 Cash Receipts - Bank Account (BANK) Table Screen Print and Field Descriptions

The screen print of the Bank Account (BANK) table is pictured below, and field descriptions follow.

#### Bank Account Table (BANK)

```

ACTION: . TABLEID: BANK USERID: .....
BANK ACCOUNT TABLE
KEY IS FISC YEAR, BANK ACCOUNT CODE
01-
FISCAL YEAR: ..          BANK ACCOUNT CODE: .. CASH ACCOUNT: ....
BANK NUMBER: .....      BANK ACCOUNT NUMBER: .....
BANK NAME: .....        BANK ACCOUNT NAME: .....
02-
FISCAL YEAR: ..          BANK ACCOUNT CODE: .. CASH ACCOUNT: ....
BANK NUMBER: .....      BANK ACCOUNT NUMBER: .....
BANK NAME: .....        BANK ACCOUNT NAME: .....
03-
FISCAL YEAR: ..          BANK ACCOUNT CODE: .. CASH ACCOUNT: ....
BANK NUMBER: .....      BANK ACCOUNT NUMBER: .....
BANK NAME: .....        BANK ACCOUNT NAME: .....
04-
FISCAL YEAR: ..          BANK ACCOUNT CODE: .. CASH ACCOUNT: ....
BANK NUMBER: .....      BANK ACCOUNT NUMBER: .....
BANK NAME: .....        BANK ACCOUNT NAME: .....
    
```

The field descriptions for the Bank Account (BANK) table are as follows.

<b>Field Name</b>	<b>Field Description</b>
FISCAL YEAR	Required. Enter the last two digits of the applicable fiscal year for the bank account code entered.
BANK ACCOUNT CODE	Required. If adding a new line, enter a unique code; if changing or deleting an existing line, enter the affected code.  If you are deleting a line, do not enter the following fields. If you are changing a line, enter only the fields in the rest of this table that you want changed. If you are adding a new line, follow the instructions for the remaining fields.
CASH ACCOUNT	Required if automated disbursements are to be used to write checks against this bank account. Enter the code of the cash balance sheet account associated with this bank account.

The cash account provided here may be overridden on manual warrant, cash receipt, payroll voucher, warrant voucher, and cash journal

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voucher transactions.

**BANK  
NUMBER**

Optional (used for reports only). Enter the routing and transit number (the FRD-ABA number) assigned to the bank holding this account.

**BANK  
ACCOUNT  
NUMBER**

Required. Enter the account number assigned by the bank.

**BANK NAME**

Optional. However, there will be no descriptions on reports for this code if this field is left blank. Enter the name of the bank holding this account.

**BANK  
ACCOUNT  
NAME**

Optional. However, there will be no descriptions on reports for this code if this field is left blank. Enter a descriptive name for this account.

### 6.3 Bank Code by Bank Accounts Inquiry (BACT) Table Overview

The Bank Code by Bank Accounts Inquiry (BACT) table is an alternate view of the Bank Account (BANK) table, which is sorted by bank account number and fiscal year. ~~This table is used in Deposit Suspense (DS) document processing.~~ No additions, deletions, or changes to table data are allowed - all data maintenance must be performed on the Bank Account (BANK) table.

#### 6.3.1 Bank Code by Bank Accounts Inquiry (BACT) Table Screen Print and Field Descriptions

A screen print of the Bank Code by Bank Accounts Inquiry (BACT) table is pictured below, and field descriptions follow.

#### Bank Code by Bank Accounts Inquiry Table (BACT)

```
ACTION: . TABLEID: BACT USERID: .....  
BANK CODE BY BANK ACCOUNTS INQUIRY  
KEY IS BANK ACCOUNT NUMBER, FISCAL YEAR, BANK ACCOUNT CODE  
  
      BANK ACCOUNT      FISCAL      BANK ACCOUNT  
      NUMBER           YEAR         CODE  
-----  
01- ..... .. ..  
02- ..... .. ..  
03- ..... .. ..  
04- ..... .. ..  
05- ..... .. ..  
06- ..... .. ..  
07- ..... .. ..  
08- ..... .. ..  
09- ..... .. ..  
10- ..... .. ..  
11- ..... .. ..  
12- ..... .. ..  
13- ..... .. ..  
14- ..... .. ..
```

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The field descriptions for the Bank Code by Bank Accounts Inquiry (BACT) table are as follows.

<b>Field Name</b>	<b>Field Description</b>
BANK ACCOUNT NUMBER	Required. The account number assigned by the bank.
FISCAL YEAR	Required. The last two digits of the applicable fiscal year for the bank account number entered.
BANK ACCOUNT CODE	Required. The GFS bank account code assigned on the BANK table.

## 6.4 Cash Receipts - Bank Account Balance (ABAL) Table Overview

The Bank Account Balance (ABAL) table is used to keep track of the balances for each bank account code in GFS. The bank account code, account name, name and account number are information generated from the Bank Account (BANK) table. The beginning balance must be entered by the State Treasurer to set up a particular bank account balance on this table. GFS will not automatically set up balances for bank account codes that are set up on the Bank Account (BANK) table.

### 6.4.1 Cash Receipts - Bank Account Balance (ABAL) Table Policy

The State Treasurer is responsible for maintaining the Bank Account Balance (ABAL) table.

### 6.4.2 Cash Receipts - Bank Account Balance (ABAL) Table Procedures

<b>Responsibility</b>	<b>Action</b>
State Treasurer	Updates and maintains the Bank Account Balance (ABAL) table. The table is keyed by bank account code and the balance date. The date is keyed in reverse order with the most recent date first. <b>NOTE:</b> One entry must exist in this table for each bank account before the ABAL batch program is run for the first time.

### 6.4.1 Cash Receipts - Bank Account Balance (ABAL) Table Screen Print and Field Descriptions

The screen print of the Bank Account Balance (ABAL) table is pictured below, and field descriptions follow.

#### Bank Account Balance Table (ABAL)

```
ACTION: . TABLEID: ABAL USERID: .....
BANK ACCOUNT BALANCE TABLE
KEY IS BANK ACCOUNT CODE, DATE (DESCENDING ORDER)

BANK ACCT CODE: ..                BALANCE DATE: .. / .. / ..
ACCOUNT NAME:                    BEGIN BALANCE: .....
    BANK NAME:                    DEBITS: .....
ACCOUNT NUMBER:                  CREDITS: ..... -
                                   -----
                                   ENDING BOOK BALANCE: .....
                                   OUTSTANDING CHECKS/WARRANTS: ..... +
                                   =====
                                   CASH BALANCE: .....
```

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The Bank Account Balance (ABAL) table contains an entry for each day's bank account balance.

The table is keyed by bank account code and the balance date where the date is keyed in reverse order with the most recent date first.

A batch program, ABAL, is run on a nightly basis and takes the previous day's ENDING BOOK BALANCE and determines the new balance from the day's "CR," "PR," "AD," "CX," "MW" and "JV" transactions. The CASH BALANCE is computed by taking the ENDING BOOK BALANCE and adding back the checks/warrants from the Warrant Reconciliation (WREC) table that have not cleared.

Another batch program, ABPG, is available which will purge entries in the table that have not cleared.

NOTE: One entry must exist in this table for each bank account before the ABAL batch program is run for the first time.

The field descriptions for the Bank Account Balance (ABAL) table are as follows.

BANK ACCT CODE	Required. The unique code assigned to the bank account.
BALANCE DATE	Required. Date of which the account balance was calculated. In MM/DD/YY format.
ACCOUNT NAME	Descriptive name of this account (inferred from BANK Table).
BEGIN BALANCE	Balance of account at start of day.
BANK NAME	Name of bank holding this account (inferred from BANK Table).
DEBITS	Total of all debit transactions affecting the account during BALANCE DATE.
ACCOUNT NUMBER	Account number assigned by the bank (inferred from BANK Table).
CREDITS	Total of all credit transactions affecting the account during BALANCE DATE.
ENDING BOOK	Balance of account at end of day. Computed as: ENDING BOOK BALANCE = BEGINNING BALANCE + DEBITS - CREDITS.

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BALANCE

OUTSTAND-      Checks/warrants from the WREC Table that have not cleared.  
ING  
CHECKS/  
WARRANTS

CASH              Cash balance of account.      Computed as: CASH BALANCE =  
BALANCE          ENDING BOOK BALANCE + OUTSTANDING  
CHECKS/WARRANTS.

## 6.5 Minimum/Maximum Balance Sheet Account Balance (MBAL) Table Overview

The Minimum/Maximum Balance Sheet Account Balance (MBAL) table allows the State Treasurer to establish a minimum/maximum balance for selected Balance Sheet Account Balance (BBAL) accounts. This is accomplished by adding the Fund/Balance Sheet Account combination to MBAL and establishing the minimum/maximum dollar values to each. The exception indicator on the far right of the table shows an asterisk ("\*") if the current account balance falls below the minimum level or rises above the maximum level. Only those fund/account combinations for which MBAL records are created will be listed. The table is organized by fund and balance sheet account.

### 6.5.1 Minimum/Maximum Balance Sheet Account Balance (MBAL) Table Policies

The following policies apply to the Minimum/Maximum Balance Sheet Account Balance (MBAL) table in GFS:

- The State Treasurer is responsible for maintaining the Minimum/Maximum Balance Sheet Account Balance (MBAL) table.
- The MBAL screen will designate with an asterisk ("\*") any line where the balance from BBAL is under the designated minimum or over the designated maximum account balance.

### 6.5.2 Minimum/Maximum Balance Sheet Account Balance (MBAL) Table Procedures

<b>Responsibility</b>	<b>Action</b>
State Treasurer	Establishes and maintains values for the Minimum/Maximum Balance Sheet Account Balance (MBAL) table. Fund/account combinations must be entered on the table by the State Treasurer. When original entry occurs, the minimum and maximum balances are also entered (although they may be modified later). Balance Sheet Account Balance (BBAL) is a system-maintained field which infers the current balance for the fund/account on the Balance Sheet Account Balance (BBAL) table. The exception flags are also system-maintained and are triggered whenever the BBAL balance falls below the minimum level or rises above the maximum level.

### 6.5.2.1 Minimum/Maximum Balance Sheet Account Balance (MBAL) Table Screen Print and Field Descriptions

The screen print of the Minimum/Maximum Balance Sheet Account Balance (MBAL) table is pictured below, and field descriptions follow.

#### Minimum/Maximum BS Account Balance Table (MBAL)

```

ACTION: . TABLEID: MBAL USERID: .....
MINIMUM/MAXIMUM BS ACCOUNT BAL TABLE
KEY IS FUND, BS ACCOUNT

      FUND BS ACCOUNT  BBAL BALANCE  *** DESIGNATED  BALANCE  ***
      -----  -----  -----  **  MINIMUM  MAXIMUM  **
01-  ...  ...  .....  .....  .....  .....  *
02-  ...  ...  .....  .....  .....  .....  *
03-  ...  ...  .....  .....  .....  .....  *
04-  ...  ...  .....  .....  .....  .....  *
05-  ...  ...  .....  .....  .....  .....  *
06-  ...  ...  .....  .....  .....  .....  *
07-  ...  ...  .....  .....  .....  .....  *
08-  ...  ...  .....  .....  .....  .....  *
09-  ...  ...  .....  .....  .....  .....  *
10-  ...  ...  .....  .....  .....  .....  *
11-  ...  ...  .....  .....  .....  .....  *
12-  ...  ...  .....  .....  .....  .....  *
13-  ...  ...  .....  .....  .....  .....  *
14-  ...  ...  .....  .....  .....  .....  *
    
```

The Minimum/Maximum Balance Sheet Account Balance (MBAL) table maintains current balance sheet account balances (from the BBAL table) and tracks them against established minimum and maximum levels. The exception indicator field on the far right shows an asterisk (\*) if the current account balance falls below the minimum level or rises above the maximum level. Only those fund/account combinations for which MBAL records are created will be listed. The table is organized by fund and balance sheet account.

Fund/account combinations must be entered on the table by the user. When original entry occurs, the minimum and maximum balances are also entered (although they may be modified later). BBAL Balance is a system-maintained field which infers the current balance for the fund/account on the BBAL table. The exception flags are also system-maintained, and are triggered whenever the BBAL balance falls below the minimum level or rises above the maximum level.

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The field descriptions for the Minimum/Maximum Balance Sheet Account Balance (MBAL) table are as follows.

<b>Field Name</b>	<b>Field Description</b>
FUND	Required. The fund code. Must be valid in the Fund Master (FUND) table.
BS ACCOUNT	Required. The balance sheet accounts for which minimum and maximum balances will be tracked. Must be valid on the Balance Sheet Account Master (BACC) table, and the fund/balance sheet account combination must be valid on the Balance Sheet Account Balance (BBAL) table.
BBAL BALANCE	The balance in this account for this fund/account. This amount is inferred from the Balance Sheet Account Balance Table (BBAL).
DESIGNATED MINIMUM BALANCE	Required. The established minimum balance for the fund/account. If the BBAL balance drops below this level, it triggers an exception flag to appear. Defaults to zero.
DESIGNATED MAXIMUM BALANCE	Required. The established maximum balance for the fund/account. If the BBAL balance rises above this level, it triggers an exception flag to appear. Defaults to zero.
EXCEPTION FLAG	This field is blank if the BBAL Balance is above the Minimum Balance and below the Maximum Balance. An exception flag is triggered whenever the BBAL Balance falls below the minimum level or rises above the maximum level. The exception flag appears as an asterisk (*).

## 6.6 Cash Receipts - Receipting, Depositing, Accounting of Cash Receipts Procedures

### 6.6.1 Cash Receipts Procedures Overview

The following procedures provide step-by-step instructions for receipting, depositing, and accounting for cash receipts in the GFS system.

### 6.6.2 Setting Up an ISIS and Non-ISIS Agency Depository Bank Account

Responsibility	Action
Agency	Completes application for a new bank account on the " <b>Bank Account Set-Up/Change Request Form</b> " (FORM BANK) and submits it to the State Treasurer for processing.
State Treasurer	Submits the " <b>Bank Account Set-Up/Change Request Form</b> " (FORM BANK) to the Cash Management Review Board (CMRB) to review application <del>and approve or disapprove for approval</del>
CMRB	Approves or disapproves application and notifies agency of decision.
State Treasurer	Assigns a bank account code in GFS and informs agency of their bank account code. The State Treasurer is responsible for setting up and maintaining bank account codes on the Bank Account (BANK) table. See the Bank Account (BANK) table policies in Section 6.2.1 of this manual.
Agency	Receives assignment of bank account codes from the State Treasurer that will be used on accounting transactions.  Opens bank account for both ISIS and non-ISIS bank accounts.
Agency	Obtains "Deposit Ticket" (FORM #DT) from the Division of Administration (Forms Management) and <del>endorsement stamps from banks</del> an enforcement stamp. These deposit slips will be used for making deposits directly to agency depository banks or through the State Treasurer's Office.  Requests that additional agency depository bank accounts be set up by the State Treasurer, if needed.

#### 6.6.2.1 Agency-Specific Procedures for Setting Up an ISIS and Non-ISIS Agency Depository Bank Account

### 6.6.3 Receipting of Cash Receipts Procedures

Responsibility	Action
Agency	<p>Establishes written policies for receipting cash in its specific agency. Agency policies should include good internal controls, segregation of duties, and adequate documentation and audit trails.</p> <p>Ensures that cash is proved each day and reconciled against receipts before deposits are made.</p> <p>Assigns a responsible person(s) to receive all monies and prepares a Deposit Ticket Form (FORM <b>DT</b>) for all monies received.</p> <p>Must use pre-numbered, hand-written receipts or issue receipts from a cash register or other automated receipting functions.</p> <p>Must deposit the money directly in an agency depository bank in the name of the State Treasurer on a daily basis or deposit the money through the State Treasurer's Office to the State's Central Bank Account. Cash receipts should be deposited within <b>24 hours</b> of receipt.</p> <p>Should monitor closely the cash receipts process to ensure that it complies with agency-specific policies and procedures.</p>

#### 6.6.3.1 Agency-Specific Procedures for Receipting of Cash Receipts

### 6.6.4 Depositing of Cash Receipts Procedures

Responsibility	Action
All Agencies	Establish written policies and procedures for depositing cash in their specific agency. These depositing procedures should safeguard the assets and the individuals handling the money and provide timely depositing of funds. Agency policies should include good internal controls, segregation of duties, and adequate documentation and audit trails.
Agencies Within Baton Rouge	Fill out the three-part " <b>Deposit Ticket Form</b> " (FORM DT) and take the original and the pink copy of the form along with the monies to the State Treasurer's Office for deposit.
Agencies Outside Baton Rouge	Fill out the four-part " <b>Deposit Ticket Form</b> " (FORM DT) and take the original and the pink (second) copy of the form along with the monies to the regional bank for deposit.
Agencies Outside Baton Rouge	Have the bank stamp the pink copy of the " <b>Deposit Ticket Form</b> " (FORM DT) and send the pink copy to the State Treasurer within 24 hours of receipt of cash.
All Agencies	Must indicate on " <b>Deposit Ticket Form</b> " (FORM DT) if the funds are federal monies.
State Treasurer	<p>Takes the deposits to the bank for those agencies depositing through the State Treasurer.</p> <p>Initiates transfers (sweeps) from regional depository banks to the State Treasurer's central bank account, and inputs Journal Voucher (JV) into GFS to record sweep.</p> <p>Enters the "<b>Deposit Ticket Form</b>" (FORM DT) to record agencies' deposit activity for both deposits made at regional banks and deposits made at banks within Baton Rouge.</p> <p>Sets the "Federal Funds" flag to "Y" (Yes) for all federal funds deposits. Sets the "Verify" flag to "Y" (Yes) for all deposits considered ready to classify. Using transaction DS enters, approves, and processes the deposit into GFS.</p>

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Receives Debit/Credit Memo Advice(s) from bank.

Assigns numbers for Debit/Credit Memo as follows:

- Debit Memo = Agency # + DR + 4 numbers from internal log.
- Credit Memo = Agency # + CR + 4 numbers from internal log.

Inputs additional "**Deposit Ticket Forms**" (FORM DT) for Debit and/or Credit memos received from banks, and notify agency(ies) of adjustment.

Agency

Classifies amounts against debit or credit memo.

### 6.6.4 Agency-Specific Procedures for Deposting of Cash Receipts

## **6.6.5 Deposit Suspense (DS) Document Overview**

All deposits are first entered into ISIS utilizing the Deposit Suspense (DS) document. The Deposit Suspense (DS) document will be used to deposit receipts into a suspense account and will allow for controlling the subsequent classification of receipts from the suspense account.

### **6.6.5.1 Deposit Suspense (DS) Document Procedures**

The following policies apply to the Deposit Suspense (DS) document:

- The State Treasurer's Office will be responsible for entering and approving all Deposit Suspense (DS) transactions into ISIS. This will include both deposits made at the regional banks and Baton Rouge area banks.
- The State Treasurer's Office will have the option, at a later time, to allow individual State agencies to input the Deposit Suspense (DS) document into ISIS, but not approve ~~them in the system~~. still retain approval authority.

### **6.6.5.2 Agency-Specific Procedures for the Deposit Suspense (DS) Document**



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The field descriptions for the Deposit Suspense (DS) Document are as follows.

COMMAND AREA	See Chapter 4, "Document Processing", in the <i>ISIS/GFS Online Features Guide</i> for an explanation of the command area fields.
DS DATE	Inferred. The system infers the current date on the Dates (DATE) table for the DS transaction.
ACCTG PRD	The accounting period associated with the transaction date of the document.
BUDGET FY	The budget fiscal year associated with the document.
DOC ACTION	Optional. If left blank, defaults to "E". Valid entries are: <ul style="list-style-type: none"><li>- "E" (Original Entry) if this document is new.</li><li>- "M" (Adjustment) if this document is modifying a previous document</li></ul>
DOC TOTAL	Required. Must be numeric. Enter the total of all deposits recorded on the document lines.
CALC DOC TOTAL	Calculated. System-computed sum of deposit amounts for all lines in the document. Must be equal to DOC TOTAL.
DEPOSIT AGY	Required. Enter the code of the agency that received the collection and performed the deposit. This code used must be valid on the Agency Master Table. If document action is "M", then this code must match the original transaction.
DEPOSIT NUM	Required. The deposit ticket number recorded on the DS. Must be numeric.
BK CD	Required. Enter the code of the bank account into which the collection was deposited. This code used must be valid on the Bank (BANK) Table. If document action is "M", then this code must match the original transaction.
DEPOSIT DATE	Optional. Enter the date on which the deposit occurred, in MMDDYY format.  Required. Enter the dollar amount of the item(s) deposited. The

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DEPOSIT AMT	decimal point is optional, but two digits must be coded for cents.  If the document action is "M", enter the <i>amount of change</i> over (under) the previous amount. Do not code a sign (+ or -); the INC/DEC column indicates whether this is to be added or subtracted from the original amount.
ID	Conditional. This is the Increase/Decrease indicator. It is required if DOC ACTION is "M", and marks if the deposit amount change is an increase or decrease to the original amount. If required, code one of the following:  'D'                    decrease 'I'                    increase
NUM ITEMS	Required on original entry transactions. Must be numeric. Enter the number of cash and check items included in the deposit.
FED DRW (Y/N)	Optional. Indicates if the deposit represents federal draw down collections. Valid entries are "Y" (Yes) and "N" (No). If not entered, defaults to "N".
COMMENTS	Optional, for reporting purposes only. Enter up to 12 characters of notes about this document.



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The Open Deposit Items (ODIT) table stores all Deposit Suspense (DS) records that are not completely classified and some recent, fully classified deposits. These records are created by new Deposit Suspense documents (DS). The "Verification Flag" indicator (VF) is set to "Y" when the DS document is approved and processed. After the deposit is recorded, cash receipts may be processed to classify the money as "cash received." When these cash receipts process, the document amount adjusts the classified amount on this table (and also computes a new remaining amount). Alternate views of this table are available on the ODAI and ODCI tables - by agency and deposit date, respectively.

This is a system-maintained table. Table records are created when a Deposit Suspense (DS) transaction is accepted and are updated by Cash Receipt (CR) and modifying Deposit Suspense documents.

The Open Deposit Items (ODIT) table field descriptions are as follows.

DEPOSIT AGY	Key field. The three-character code of the agency that made the deposit
DEPOSIT NUMBER	Key field. The six-character deposit ticket number, pre-printed on ISIS form DT; used to deposit monies in the bank.
VF	The indicator is set to "Y" (Yes) when the deposit is accepted and processed.
BK CD	Bank account number entered on the Deposit Suspense (DS) document.
FF	The federal draw down indicator entered on the Deposit Suspense (DS) document.
DEPOSIT DATE	Date of deposit, entered on the Deposit Suspense (DS) document.
NUM ITEMS	Number of check and cash items entered on the Deposit Suspense (DS) document.
DEPOSITED AMT	Deposited dollar amount from the Deposit Suspense (DS) document.
CLASSIFIED AMT	Total dollar amount of Cash Receipt (CR) classification documents processed against the deposit.
REMAINING AMT	Difference of deposited amount - classified amount. The dollar amount of the deposit available for classification.
LAST ACT DATE	The latest date that activity took place against this deposit.

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POSTING DATE	The date that deposit was processed in GFS and the General Ledger and financial tables were updated.
DS DOCUMENT NUMBER	The document ID number from the SUSF table from which the deposit was entered. There may be multiple deposits on ODAI with the same document ID number.
BFY	The last two digits of the budget fiscal year from the header of the Deposit Suspense (DS) transaction.

### 6.6.7 Accounting for Cash Receipts (Classification of Revenues) Procedures

Responsibility	Action
Agencies Online	<p>Enter Cash Receipt (CR) document into GFS to classify monies out of the deposit/suspense to the proper revenue source/fund. Bank account code will be inferred from the bank code on the related Deposit Suspense (DS) document.</p> <p>The document number assigned to the CR document will consist of the three-character agency number plus the six-digit deposit number from the "<b>Deposit Ticket Form</b>" (FORM DT). See the Document Numbering policies section in the GFS Transaction Processing chapter of this manual. See Section 3.8.2.</p> <p>The document number on the CR document for a subsequent classification of revenues will consist of the three-character agency number plus the six-digit deposit number from the "<b>Deposit Ticket Form</b>" (FORM DT) followed by a letter of the alphabet, beginning with "A," for each subsequent classification or modification.</p>
Agencies Online	<p>Enter today's date for the transaction date for the Cash Receipts (CR) transaction. (NOTE: Transaction Date will default to today's date if left blank.)</p> <p>Will be required to use one level of approval on a Cash Receipts (CR) transaction. However, agencies will be given three levels of approval to be used at their own option. Before doing the approvals approving the document, all edits against the transaction should be applied and all errors corrected.</p> <p>After all edits and approvals have been applied, the transaction is processed in GFS.</p> <p>Enter additional CR documents to correct Debit/Credit memos from the State Treasurer. All corrections should be made prior to June 30 of current year, if possible.</p>
Agencies Without Online Access to ISIS	<p>Fill out the "<b>Deposit Ticket Form</b>" (FORM DT) with the proper accounting information on it and submit this form to the State Treasurer where it will be entered into GFS.</p>
State Treasurer	<p>Enters the information from the "<b>Deposit Ticket Form</b>" (FORM DT) into GFS and process.</p>
All Agencies	<p>File all supporting documentation ("<b>Deposit Ticket Form</b>" (FORM DT), receipts, etc.) and attach the documentation to a sheet that has the transaction</p>

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~~total and the transaction number and accounting distribution on it.~~

~~An agency should produce a screen print of the CR entry document and attach as a cover sheet to their documentation. Non-ISIS~~All agencies should retain a copy of the "**Deposit Ticket Form**" (FORM DT) and a screen print of the CR entry Document for documentation purposes.

All Agencies

Must maintain these files as there will not be a central file kept at OSRAP. The files maintained by the agencies will become the audit trail for the Legislative Auditor. These files must be retained for three years, either on site or the State Records Center, according to arrangements made with State Archives.

Non-ISIS agencies should verify support documentation against reports on a regular basis.

### **6.6.7.1 Agency-Specific Procedures for Accounting for Cash Receipts (Classification of Revenues)**

## **6.6.8 Cash Receipt Input Form (CR) Document Overview**

The Cash Receipt (CR) document records and classified all monies collected by the State. This includes collections against outstanding accounts receivable, cash basis revenue, and non-revenue-related receipts (for example, refunds posted to objects of expenditures or deposits into trust funds).

### **6.6.8.1 Cash Receipt Input Form (CR) Document Screen Print and Field Descriptions**

The screen print of the header and line screens of the Cash Receipt Input Form (CR) document is pictured below, and field descriptions follow.

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**Cash Receipt  
Transaction  
(CR)**

```
FUNCTION: ..... DOCID: CR .....
STATUS:          BATID: ... .. ORG: ....
H-
                CASH RECEIPT INPUT FORM

TRANS DATE: . . . . . ACCTG PRD: . . . . . BUDGET FY: . .
ACTION: . . . . . BANK ACCOUNT CODE: . . . . .
CMIA SCHED DATE:
COMMENTS: .....

                DOCUMENT TOTAL: .....
                CALCULATED DOCUMENT TOTAL:
```

**Cash Receipt  
Transaction  
(CR)**

```
FUNCTION: ..... DOCID: CR .....
STATUS:          BATID: ... .. ORG: ....
01-
  LINE NUMBER: .. REF DOC ID: ..... REF LINE NO: ..
  VEND/PROV/CUST: ..... NAME:
  BILLING CODE: .....
  FUND: ..... AGENCY: ..... ORG/SUB-ORG: .....
  APPR UNIT: ..... ACTIVITY: ..... REV SRCE/SUB-REV: .....
  JOB NUMBER: ..... REPT CAT: ..... BS ACCOUNT: .....
  OBJ/SUB-OBJ: ..... DESCRIPTION: .....
  AMOUNT: ..... I/D: . P/F: .
02-
  LINE NUMBER: .. REF DOC ID: ..... REF LINE NO: ..
  VEND/PROV/CUST: ..... NAME:
  BILLING CODE: .....
  FUND: ..... AGENCY: ..... ORG/SUB-ORG: .....
  APPR UNIT: ..... ACTIVITY: ..... REV SRCE/SUB-REV: .....
  JOB NUMBER: ..... REPT CAT: ..... BS ACCOUNT: .....
  OBJ/SUB-OBJ: ..... DESCRIPTION: .....
  AMOUNT: ..... I/D: . P/F: .
```

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COMMAND AREA	See Chapter 4, "Document Processing", in the <i>ISIS/GFS Online Features Guide</i> for an explanation of the command area fields.
TRANS DATE	Inferred. The current date entered for this document type on the Dates table (DATE).
ACCTG PRD	Optional. If left blank, the accounting period is inferred from the transaction date. If you want these transactions to be recorded in some other accounting period, enter the desired period (it must be open), using fiscal months and fiscal years. You cannot enter future periods.
BUDGET FY	Optional. If left blank, the transactions on this document apply to the current fiscal year's budget. If you want these transactions to be recorded in some other fiscal year, enter the desired fiscal year (it must be open). You cannot enter future budget fiscal years.  The transactions may be recorded in a prior fiscal year that is closed if funds are appropriated within the desired fiscal year and the appropriation will not expire until a following fiscal year.
ACTION	Optional. If left blank, defaults to "E". Valid entries are: <ul style="list-style-type: none"><li>- "E" (Original Entry) if this document is new.</li><li>- "M" (Adjustment) if this document is modifying a previous document</li></ul>
BANK ACCOUNT COD	Inferred from DS transaction. The code represents the bank account in which the cash was deposited.
CMIA SCHED DATE	Protected. This field is for display purpose only. the date that represents when the transaction should be processed according to the CMIA drawdown schedule is displayed. this field is only used by documents that are created by the CMIA drawdown process.
COMMENTS	Optional, for reporting purposes only. Enter notes about this document. The first 12 characters will be entered in the computer.
DOCUMENT TOTAL	Required. Enter the unsigned net amount of all lines on the document. To compute this amount: <ol style="list-style-type: none"><li>1. Add together all the increase amounts.</li></ol>

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- 2. Add together all the decrease amounts.
  - 3. Subtract the smaller of these amounts from the larger, and enter that amount.
- CALCULATED DOCUMENT TOTAL Do not code this field. It is the system computed total of the line amount.
- LINE NUMBER Enter the document Line Number. Values 01 to 99 are valid.
- REF DOC ID Not used. Leave blank.
- REF LINE NO Not used. Leave blank.
- VEND/PROV/CUST Required on refunds from vendors. Leave blank, otherwise.
- NAME Inferred from VEND/PROV/CUST
- BILLING CODE Leave blank, this field will not be used in the State of Louisiana.
- FUND Inferred from the Continuing Organization table using the organization code. The code used must be valid on the Fund Master Table.
- AGENCY Required on all transactions.  
  
Enter the code of the agency credited with the revenue on this line.  
  
The code used must be valid in the Agency Master Table, and the fund/agency combination must be valid in the Fund/Agency Master Table.
- ORG Optional. Required on revenue and expenditure transactions. The organization code used must be valid in the Organization Master Table.
- SUB ORG Not used. Leave blank.

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APPR UNIT	Inferred from the Continuing Organization table using the organization code. The appropriation must be valid and active in the Appropriation Table.  Appropriation must be open and must be applicable to the budget fiscal year coded for the transaction.
ACTIVITY	Leave blank, this field will not be used in the State of Louisiana.
REV SRC	Usually required. Leave blank only for balance sheet transactions (then balance sheet account must be used) or vendor refunds (then object must be used). The code used must be valid in the Revenue Source Master Table. If a revenue source is entered, the group code for the appropriation unit is validated on the Appropriation Group Code Table (GRPC). If the group code's has a State Revenue Indicator on GRPC 'Y' (Yes), revenue may <u>not</u> be entered for this appropriation.
SUB REV	Optional. Enter the code that best describes the revenue item on this line. You must code a revenue source before you can code a sub-revenue source.
JOB NUMBER	Optional. Will be used for Capital Projects and must be valid on the AGPR table.
REPT CAT	Inferred from the Continuing Organization table using the organization code. The code displayed must be valid in the Reporting Category Master Table for the agency coded on the line.
BS ACCOUNT	Usually leave blank. Fill in only if this line is a balance sheet transaction. If entered, the code must be valid on the Balance Sheet Account Master Table.
OBJ	Required on vendor refunds. Leave blank otherwise. The code used must be valid in the Object Master Table.
SUB OBJ	Required on vendor refunds if the Sub-Object Option in the Expense Budget Table is "Y". Otherwise, optional on vendor refunds. Leave blank when object is not coded. The code used must be valid in the Sub-Object Master Table.
VEND/PROV DR	Vendor is required on vendor refunds; otherwise leave blank.

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DESCRIPTION      Optional, for reporting purposes only. Enter notes about this line. The first 30 characters will be stored in the computer. If this line is modifying a previously entered line, you can enter a new description.

AMOUNT            Required. If this is a new line, enter the dollar amount of the item(s) described on this line.

                         If this line is a modification to a previous entry, enter the *amount of change* over (under) the previous amount. Do not code a sign (+ or -); the I/D column indicates whether this is to be added or subtracted from the original amount. The decimal point is optional, but two digits must be coded for cents.

I/D                 Required if making an adjustment. Code the following:

                         'D'                    decrease

                         'I'                    increase

                         Leave blank for new lines.

P/F                 Not used. Leave blank.

### 6.6.9 Quick Receipt Input Form (QR) Document Procedures

Agencies may choose to use the Quick Receipt Input Form (QR) document for classifying revenues instead of the Cash Receipt (CR) document. This document contains both header and line data on one screen, thus enabling speedier data entry. It also contains only the "basic" data fields (few optional fields are included) so that fields not required need not be tabbed over when entering the data, thus saving key strokes. It can be used in instances where a cash receipt with few fields and only a line or two is needed. The coding instructions for the Cash Receipt (CR) transaction shown previously should also be used for the Quick Receipt Input Form (QR) document.

A screen print of the Quick Receipt Input Form (QR) document is pictured below.

#### Quick Receipt Transaction (QR)

```

FUNCTION: ..... DOCID: QR .....
STATUS: ..... BATID: ... .. ORG: ....
H- QUICK RECEIPT INPUT FORM
  QR DATE: .. . . . . ACCTG PRD: .. . . BUDGET FY: ..
  ACTION: . . . . . BANK ACCOUNT CODE: ..
  COMMENTS: ..... DOCUMENT TOTAL: .....
                                CALCULATED DOCUMENT TOTAL:
REF REF REF REF ACTI REV
CD AGCY NUMBER LN FND AGY ORG VITY SRCE AMOUNT
-----
APPR JOB # RCAT PROVIDER DESCRIPTION I/D P/F
-----
01- .....
02- .....
03- .....
  
```

### 6.6.10 Online Entry of the Treasurer's Accounting Information Procedures

**Responsibility**

**Action**

State Treasurer

Enters the information about bank transfers into GFS on a Journal Voucher (JV) transaction. See the Journal Vouchers Overview policies related to J1 Journal Vouchers in the "Journal Vouchers" chapter of this manual. See Section 11.1.1. This transaction will move the cash from the agency depository bank accounts to the State Treasurer's central bank account in GFS.

**NOTE:** Only the funds that are actually swept will be recorded as a transfer in GFS. This should keep the cash amounts recorded on the Bank Account Balance (ABAL) table in GFS in sync with the balances on the bank

## 6.7 Revenues

### 6.7.1 Revenues Overview

This section provides a high level overview of policies and procedures for processing revenues in GFS.

Revenues are additions to assets (i.e., cash, accounts receivable, etc.) which do not: (1) increase a liability; (2) represent the recovery of an expenditure in the current year; (3) result in the cancellation of a liability; or (4) result in a net decrease of other assets.

In accordance with GAAP, revenues are increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under National Council of Government Accounting (NCGA) Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues. For proprietary fund type, revenues are net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under Statement 1, operating transfers-in are classified separately from revenues.

Some examples of Revenue include:

- Taxes
- Registration Fees
- Sale of Permits and Licenses
- Federal Grants
- Contracts
- Leases of State Facilities or Land
- Reimbursement for Direct Services Provided
- Sale of Goods and Services
- Sale of Surplus Vehicles and Equipment

As a state policy, the following criteria will be applied in the accrual of revenues for governmental fund types of the general and special revenue nature for financial reporting purposes in accordance with generally accepted accounting and financial reporting principles. All boards, commissions, departments, agencies, institutions, and offices within the executive branch of state government shall report financial activity on a modified accrual accounting basis as follows:

- Revenues associated with the economic activity of a particular fiscal year must be recognized (accrued) and reported in that fiscal year when:
  1. the revenues are collected during the fiscal year to which they are associated, or
  2. the revenues are collected within 45 days after the end of the fiscal year to which they are associated.

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- The following revenues may be excluded from accrual requirements:
  1. The amount is not material or the cost of attaining the data for accruing the revenue exceeds the benefits derived from its accrual, according to the sliding scale included with the "Annual Financial Report " (AFR) packet each fiscal year. For the State of Louisiana, materiality is generally defined as: "less than one-half of one percent of the total estimated revenues of that fund."
  2. The amount is not measurable and cannot be reasonably estimated with an acceptable degree of accuracy.
  3. The revenue will not be available (collected) within the fiscal year or soon enough after the fiscal year end to be used to pay liabilities of that fiscal year.
- Specified exceptions to the 45-day cut-off rule are as follows:
  1. Gas royalties for the month of June when the revenue from this source is material and predictable or measurable.
  2. Natural gas franchise tax due for the quarter ending June 30 of each year but does not become delinquent until 60 days thereafter.
- Refunds of revenue are to be paid from current year receipts. However, refunds paid during the 45-day period at the end of each fiscal year which are attributable to prior year activities must be accumulated separately and reported as a liability on the appropriate fiscal year-end financial statement.

A return of appropriation is money received that represents the recovery of an expenditure. A return of appropriation should not be used if collecting money for services provided for others. A return of appropriation is an exception and not a regular business operation. Federal grants that reimburse for services are not considered a return of appropriation.

Examples of refunds of expenditures include:

- Reimbursement for merchandise returned to the vendor
- Return of a duplicate or erroneous payment to an outside party
- Recoupment of an expenditure made by the State wherein the State was acting only as a collecting and/or a disbursing agency for a third party
- Collection by the State from a third party for an expenditure that, if the facts were known at the time, should have been made by the third party to begin

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with. (Example would be an insurance company reimbursing the State for medical expenses paid by the State on behalf of a policyholder.)

Collections against receivables are monies received by the State as payment for outstanding amounts owed to the State. **NOTE:** The accounts receivable function in GFS is limited at this time.

Deferred Revenues are monies received by the State in exchange for the future delivery of goods and/or services. Money or asset has been received but criteria for recognizing the revenue has not occurred.

## 6.7.2 Revenue Policies

The following policies apply when processing Revenues in GFS:

- ~~Agencies should~~The State Treasurers office will enter deposit transactions in GFS using the Deposit Suspense (DS) transaction. Classification of revenues should be entered in GFS using the Cash Receipt (CR) transaction as soon as the accounting information is known. NOTE: CR transactions will not process until the Treasurer has ~~verified~~entered, approved, and processed the deposit.
- Use of the Accounts Receivable function in GFS by agencies is limited, at this point in time.
- Refunds of expenditures are first ~~deposited~~entered using the Deposit Suspense (DS) document and subsequently classified as a reduction of expenditure on the Cash Receipt (CR) document. Refunds received after the August 14th close should be recorded against income not available (INA) to the appropriate fund in the current fiscal year. Exceptions to this may be federal and other revenues that may be carried forward.

## **6.8 Interagency Transactions**

### **6.8.1 Interagency Transactions Overview**

See the "Payments to Other State Agencies Procedures" (Interagency Journal Voucher - J4 Transaction), Section 10.7.3.1, for policies and procedures related to processing interagency transactions in GFS.

## **6.9 Federal Revenues**

### **6.9.1 Federal Revenues Overview**

This section defines the policies of the State Treasurer and OSRAP for federal revenue received directly from the federal government, federal revenue transferred between state agencies, and federal revenue received through local governments or outside agencies. Policies and procedures relating to the Cash Management Improvement Act of 1990, found in the "Federal Cash Management Improvement Act (CMIA)" chapter of this manual, should be read in conjunction with this section. (See Section 15.3.)

The Federal Cash Management Improvement Act (CMIA) requires states to record the date that a request for federal funds is made and also the date that federal funds are received as cash in a state banking account. This must be tracked by administrative and program costs for each federal program.

For more information on CMIA, see the "Federal Cash Management Improvement Act (CMIA)" and "Grant Accounting" chapters of this manual.

Federal revenue, in most cases, is recognized when federal monies are deposited and classified. (Further details are in the "Accounting for Federal Revenue at Fiscal Year-end" policies in this section of this manual.) For example, if state money is expended or expenditures are accrued for a federal reimbursable program, the amount billable to the federal government at fiscal year-end is recorded as federal revenue. If federal revenue is collected in advance of the qualifying expenditure, the amount in excess of the qualifying expenditures at year-end is set up as deferred revenue.

## 6.9.2 Federal Revenue Terminology

The following terms are used to describe Federal Revenue:

### *Federal Drawdowns*

The process an agency goes through to request funds from a federal agency. This is usually done through an electronic linking system to the federal government, but there are other methods to make request for federal funds. The funds are later received by electronic transfer or by check.

### *Revenue Provider Code*

Number code in GFS used to identify any person, organization, or entity that owes or pays money to the State of Louisiana. It will be used to identify individual letters of credit if they are used to make federal drawdowns. If letters of credit are not used to make federal drawdowns, then a revenue provider code will be used to identify the federal agency from which the funds are being received.

### *Reporting Category*

In GFS, the Reporting Category field can be used to link accounting transactions to a specific federal grant in the Grant Accounting subsystem. Reporting categories are discussed in detail in the Reporting Category (RPTG) table section (2.4.33), and in the Cash Management Improvement Act (CMIA) Use of Reporting Categories section (15.10.1) of this manual.

### *Deposit Suspense (DS) Transaction*

In GFS, the Deposit Suspense (DS) transaction is used to record deposits made to a suspense account until the State Treasurer verifies that the physical cash has been received. A field within the D/S document is used to identify federal funds.

### *Cash Receipts Transaction*

In GFS, the Cash Receipt (CR) transaction is used to classify all monies collected by the State of Louisiana to . ~~If it is linked to an Advanced Receivable (A/R) Invoice billing, it will record the cash received and reverse the accounts receivable amounts recorded originally on the A/R Invoice. Otherwise, it records~~ record the cash received and the revenue amount.

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### *Primary Recipient*

Refers to the agency receiving federal funds and that is held accountable by the federal government for its use or expenditure. Accountability includes responsibility for reporting to the federal government, monitoring compliance with federal guidelines, and state budget accountability. The primary recipient generally is the agency that initiates the federal grant and receives the federal funds directly from the federal government.

### *Refunds*

Refunds represent a recovery of funds previously paid out for federal program purposes. These transactions (such as canceled or returned checks, overpayment, duplicate payments, checks recovered from ineligible recipients, etc.) must be handled separately, if less than \$10,000, for the Cash Management Improvement Act (CMIA). (All refund transactions of less than \$10,000 are not subject to the CMIA interest liability provisions even though they still must be tracked separately.)

### 6.9.3 Federal Revenue Policies

The following policies apply when processing Federal Revenue:

- Agencies receiving federal funds through the federal drawdown process will be required to estimate those revenues on an annual basis. Agencies will be allowed to warrant against estimated revenues for CMIA-related grants in the same fashion as warrants against the General Fund.
- Agencies must establish the date when the wire transfer transaction was initiated and complete a Deposit Suspense (DS) document. The DS transaction should be entered the day the request for funds is made for the amount related to the check clearance pattern.
- It is recommended that each federal grant use at least two reporting categories to classify drawdowns on Cash Receipt (CR) transactions, unless that grant does not cover both program and administration costs.
- When federal funds are received in the State Treasurer's cash account, the State Treasurer will verify that the funds were received, and process a DS Document to set the Deposit on the Open Deposit Items (ODIT) Table. ~~and verify the deposit on the Open Deposit Items (ODIT) table.~~ Agencies will then prepare a Cash Receipt Input Form (CR) transaction to record the cash and classify the revenues on that date.
- All revenue collected directly from the federal government as federal revenue must be recorded in the proper revenue source.
- Federal revenue received directly from the federal government by one state agency, as the primary recipient, and is then transferred to another state agency should be recorded as follows (detailed procedures are in the Transfer of Federal Funds policy in this section of this manual):
  - The agency that receives the funds (the primary recipient) from the federal government should record it as a revenue using the proper revenue source, and then when transferring it to another agency, record the transfer using an expenditure object.
  - The agency receiving the funds from the primary recipient should record the transfer using a revenue source.

- Record revenue received from local governments or other agencies outside the state government used to carry out federally funded programs as agency collections. Use revenue source, **1105 - Non-Federal Receipts - Other-Local and Other Funds**.

**NOTE:** In the instance described above, the State is a sub-recipient of federal funds and is responsible for reporting this information to the federal government through the single audit report.

- Pass-through funds are funds passed through a state agency to a non-state entity (Detailed procedures for handling pass-through funds are in the "Receipt of Federal Funds" procedures section of this manual. See Section 6.10.2. Record federal funds that meet the definition of pass-through funds as a revenue source when received and expenditure object when passed on or expended. Policies and the criteria that must be met to qualify as pass-through funds are in the "Pass-Through Funds" policies in this section of this manual. See Section 6.11.2.
- Federal revenue that is earned but not collected will be reported as accounts receivable at fiscal year-end. Federal revenues that have been collected but not earned will be recorded as deferred revenue at fiscal year-end.
- Refunds of federal funds expended will be accounted for by agencies as a refund of expenditure on a Cash Receipt (CR) transaction. Agencies must use the appropriate expenditure reporting category to reduce the amount of expenditures charged to the appropriate grant in the Grant Accounting subsystem or as revenue to be used in lieu of federal funds. This will result in a reduction in the next federal drawdown by the amount received as refunds or as a refund to the federal government. See the "Refund of Federal Funds" policies in this section of this manual. See Section 6.10.5.1.

## 6.10 Receipt of Federal Funds

### 6.10.1 Receipt of Federal Funds Overview

This section provides policies that must be applied when requesting federal funds, depositing, recording the revenue and the date federal funds are requested, recording the cash receipt and the date the cash is received.

The State's General Fund appropriations allocate major state revenues collected in the current fiscal year. However, the revenues do not come into the State at the same rate as expenditures are being made by the state agencies. This means cash is not always available for appropriations until major state revenues are received. Therefore, even if payments of General Fund appropriations to the state agencies need to be spread throughout the year to match the state agencies' spending patterns, we may need to consider the constraints of state revenue cash flows.

### 6.10.2 Receipt of Federal Funds Policies

The following policies apply to the receipt of federal funds in GFS:

For agencies inside and outside Baton Rouge:

- Agencies will send the State Treasurer's Office a "**Deposit Ticket Form**" (FORM DT) with a note written at the top of the form, indicating that the attached "**Deposit Ticket Form**" (FORM DT) represents a Federal Draw Down.
- The State Treasurer's Office will input the Deposit Suspense (DS) document into GFS when the depository bank acknowledges receipt of federal funds, and sets the "Verify" flag to "Y" (Yes).approve and process the DS Document.
- Agencies will classify federal receipts to appropriate revenue sources.

### 6.10.3 Federal Revenue at Fiscal Year-End Overview

The following section provides procedures that are necessary to account for federal revenue at fiscal year-end.

#### 6.10.3.1 Federal Revenue at Fiscal Year-End Procedures

<b>Responsibility</b>	<b>Action</b>
OSRAP	Sends out "Closing Packages" with instructions for setting up accruals, accounts receivable, deferred revenues, and the Schedule of Federal Fiscal Assistance to be completed by agencies at the end of the fiscal year.
Agency	Completes the closing package process to set up the following: <ul style="list-style-type: none"><li>· For accounts receivable for uncollected federal revenue, follow procedures distributed by OSRAP with the "Closing Packages."</li><li>· For deferred revenue for federal funds, update agency financial statements (Statement A Balance Sheet) with recording of liability. A deferred revenue is federal funds that were received prior to the fiscal year-end for which the expenditure will not be incurred until the next fiscal year.</li></ul>
OSRAP	Sets up deferred revenues, for the forms submitted with the closing packages, in GFS using a Journal Voucher (JV) transaction.

#### **6.10.4 Single Audit Act Reporting Requirements Overview**

The Single Audit Act of 1984 established uniform requirements for state and local governments that receive federal financial assistance. This assistance can be in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, and insurance or direct appropriations. They may be received as direct payments from the federal government or by means of pass-through funds from other units of state or local government.

The requirements of the Single Audit Act apply to governmental units that receive federal financial assistance of \$100,000 or more in any of its fiscal years. Governmental units receiving federal assistance of \$25,000 or more, but less than \$100,000, may have either a single audit or follow the financial and compliance audit requirements contained in the regulations of the federal financial assistance program. All others are exempt from federal audit requirements and should follow any applicable state audit requirements.

The Single Audit Report is issued by the Louisiana Legislative Auditor and includes the following:

- Schedule of assistance and auditor's opinion;
- Report on internal control structure related matters as part of an audit of the general purpose financial statements;
- Report on the internal control structure relating to federal financial assistance programs;
- Report on compliance with laws and regulations that may have a material effect on the financial statements;
- Report on compliance with general requirements applicable to federal financial assistance programs;
- Report on compliance with specific requirements applicable to major federal financial assistance programs;
- Report on compliance with requirements applicable to non-major federal financial assistance programs;
- Summary of findings and recommendations from other external audits;
- Schedule of unresolved prior audit findings, and;
- Management's responses to findings and recommendations.

Within thirty days after completion of the audit, the Single Audit Report is made available for public inspection and is transmitted to:

- The Governor,
- The Louisiana Legislature and other public officials of the State,
- Federal agencies that provided direct federal financial assistance to the State during the year,
- The Single Audit Clearinghouse,

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- Local governments, and
- Other state governments that provided indirect federal financial assistance to the State during the year.

### 6.10.4.1 Single Audit Act Reporting Requirements Procedures

#### Responsibility

#### Action

Agency

Compiles the following information for all federal revenue recorded in Federal Receipts revenue sources in the range of **1000** through **1045** (collected directly from the federal government):

- Grant Name
- Federal Granting Agency
- Federal Catalog Number
- Federal Award Number
- Expenditure Amount

This information is included in each federal contract. Use of the Reporting Category in the Grants Accounting subsystem will enable the user to obtain the above information from GFS.

Legislative  
Auditors

Collect the federal revenue information from the state agencies and complete the Single Audit Schedule, at fiscal year-end.

## 6.10.5 Refunds of Federal Funds Overview

The following section provides procedures for agencies to handle refunds of federal funds.

### 6.10.5.1 Refunds of Federal Funds Procedures

<b>Responsibility</b>	<b>Action</b>
Agency	<p>Enters refunds from payees (canceled or returned checks, overpayments, duplicate payments, checks recovered from ineligible recipients, etc.) on a Cash Receipt (CR) transaction as a refund of expenditure. For instructions on how to enter a Cash Receipt (CR) transaction, see the Cash Receipt (CR) transaction procedures section of this manual.</p> <p>Reduces the amount of the next federal drawdown by the amount of any refunds of federal funds.</p> <p>Refunds from payees which represent federal source of funding should be recorded as a refund of expenditure (return of appropriation) within the same fiscal year. Agencies should reduce the amount of the next federal drawdown by these amounts.</p>

## 6.11 Pass-Through Funds

### 6.11.1 Pass-Through Funds Overview

This section provides information on Pass-Through funds. It provides information on:

- Clarifying what funds should be classified as pass-through funds.
- Complying with Generally Accepted Accounting Principles (GAAP) by segregating Pass-Through Funds (as defined below) in the State's Comprehensive Annual Financial Report (CAFR).
- Defining OSRAP policy in regards to Pass-Through Funds that will be coded to federal Means-of-Financing (MOF) appropriations.

Pass-through funds are defined as:

- Funds received from sources outside of state government such as the federal government, associations of governments, private contributions, etc.
- Funds received by a state agency acting as the collecting or receiving agent.
- Funds received by a state agency having no authority to contract for or expend the funds. The State's only authority is to record or account for the funds and transfer the funds to the recipient who will expend the funds.
- Funds transferred from the State to the recipient who expends the funds. The recipient may be any entity outside the State's fund groups (local governments, school districts, private organizations, association of governments, etc.) which has been given legal or contractual authority to expend the funds.
- Funds are pass-through from the State intact with no additional rules, regulations, instructions, terms, or requirements made by the State to the recipient or as to how the funds are to be spent. The only requirements as to the use of the funds would come from the outside source/grantor (federal government, private contributor, etc.).
- Funds may be considered pass-through even if the State continues to provide accounting services to monitor the use of the funds.

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- The recipient agency, not the State, is responsible for reporting to the outside granting agency how the funds were spent.
- Agencies may contact OSRAP for help in determining whether or not a grant should be accounted for as a pass-through grant.

### **6.11.2 Pass-Through Funds Policies**

The following policies apply to Pass-Through funds:

- The first five items in the "Defining a Pass-Through Fund" section above must be present in order to classify and record funds received and expended as pass-through.
- Record pass-through funds according to the policies in the "Receipt of Federal Funds" policies in this manual.

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