

Department of Administrative Services - State Accounting Enterprise

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	235.500	1 of 3	January 1, 2020
Subject	YEAR-END PROCEDURES CREDITS RECEIVED IN A YEAR DIFFERENT THAN GOODS / SERVICES RECEIVED		

In some instances, a department will receive a refund in one fiscal year (FY) for goods or services received in a prior FY. The Legislature appropriates funding for goods/services received in a current FY. Therefore, when a refund is received for goods/services received in a year different from the current FY the refund MUST be returned to the State General Fund or the fund of original appropriation. Refunds can be received in the form of a credit on a billing or by a refund check written by the vendor.

1. Refund Received in Current Fiscal Year when Prior Fiscal Year is Open

Below is an explanation of how to record the refund when received in the current FY, and the prior FY is still open.

- a. If the refund is received in the form of a credit on a current billing, the department must prepare a GAX or PRC document for the amount owed to the vendor. At the same time, a Corrective Journal Voucher (JV1) must be prepared which increases expenditures in the current FY and decreases expenditures in the prior FY. The process to follow to prepare the JV1 is identical as if the claim was paid out of the wrong FY. See Procedure 235.300.
- b. If the refund is received in the form of a check from the vendor, the department must prepare a cash receipt (CR) document using the appropriate expenditure object code to reduce expenditures in the proper FY. See Procedure 280.101.

2. Refund Received in Current Fiscal Year when Prior Fiscal Year is Closed

Below is an explanation of how to record the refund when it is received in the current FY, but the prior FY is closed.

- a. If the refund is received in the form of a credit on a current billing, and the funding source is a general fund appropriation, departments must prepare a GAX or PRC document for the amount owed to the vendor. At the same time, an internal transfer document (IET) must be prepared in order to transfer the credit to the State General Fund or other appropriate fund.
 - 1) The buyer's account coding on the IET must be identical as it was on the GAX/PRC document.
 - 2) The seller's account coding on the IET is as follows:
0001/997/ Department's Misc. No. / 0667

EXAMPLE: Department's Misc. No.--Department No. 005, Misc. No. 0050
 - 3) Sub-revenue and sub-object codes may be needed. See Procedure 280.301.
 - 4) Process the IET and the GAX documents with the appropriate cross-referencing.

Department of Administrative Services - State Accounting Enterprise

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	235.500	2 of 3	January 1, 2020
Subject			
YEAR-END PROCEDURES CREDITS RECEIVED IN A YEAR DIFFERENT THAN GOODS / SERVICES RECEIVED			

- b. If the refund is received in the form of a credit on a current billing, and the funding source is a non-general fund appropriation, or non-appropriated monies, the same process in 2(a) applies, except the seller's account coding (see (2)(a)(2)) on the IET is the fund and department number of the funding source, and not 0001/997.
- c. If the refund is received in the form of a check from the vendor, the department must prepare a cash receipt (CR) document. See Procedure 280.101.
 - 1) **If the funding source is a general fund appropriation**, the account code that must be used on the CR is: 0001/997/ Department's Misc. No. / 0667

EXAMPLE: Department's Misc. No.--Department No. 005, Misc. No. 0050
 - 2) **If the funding source is a non-general fund appropriation, or non-appropriated monies**, the department's appropriate fund, department, and unit number must be used. The revenue source to be used in 0657.

3. Refund Received from Goods Purchased in One Fiscal Year, Returned in Another

Occasionally, a department will receive goods in one year, and in the following year, generally in July, will realize the goods are defective, the wrong product, etc. When the goods are exchanged in the following month, the purchase must be charged to the previous FY.

4. Credits Received as a Result of Cancelled or Outdated Warrants

If a warrant is cancelled or is outdated during the same budget fiscal year (BFY) in which the warrant was originally issued, a credit will be issued to the full accounting coding (Fund, Department, Unit, Object) that was used on the original payment document.

If a warrant is issued in a previous BFY and becomes cancelled or outdated in the subsequent BFY, the department may be able to return the credit to the full account coding that was used on the original warrant depending on the funding source of the original warrant.

- a. If the original warrant was funded with 100% non-reverted funding sources, the department may process a JV1 with an event type of GA29 to return the full amount of credits from the Fund Equity account coding to the expenditure account coding originally used on the cancelled or outdated warrant (as applicable).
 - 1) The JV1 contains an accounting line which debits (increases) the fund, department and BSA 3401 as well as an accounting line which credits (decreases) the expense to the fund, department, unit and object level. Both accounting lines contain the identical fund and department numbers, and no cash lines are necessary.
 - 2) For each respective cancelled or outdated warrant, the JV1 contains a memo reference to the JVA document which outdated the warrant. The accounting line description on the JV1 contains the identical information as the accounting line description from the JVA which cancelled or outdated the warrant.

Department of Administrative Services - State Accounting Enterprise

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	235.500	3 of 3	January 1, 2020
Subject	YEAR-END PROCEDURES CREDITS RECEIVED IN A YEAR DIFFERENT THAN GOODS / SERVICES RECEIVED		

- 3) The JV1 will be work flowed through DAS-SAE for approvals. No return of these types of credits will be processed without DAS-SAE approvals.
 - b. If the original warrant was funded with both non-reverted and reverted funding sources, the department may process a JV1 with an event type of GA29 to return only the portion of the credit that is funded with non-reverted funding sources. The same requirements as stated in the paragraph above apply.
 - c. If the original warrant was funded with 100% reverted funding sources, the department will not be permitted to process a JV1 to return the credits.
5. Direct any questions to SAEAcctTeam@iowa.gov.