

Department of Administrative Services - State Accounting Enterprise

Section	Procedure Number	Page Number	Effective Date
PRE-AUDIT	235.500	1 of 2	July 1, 2003 Revised 11/26/08
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 for goods or services received in a prior fiscal year. The Legislature appropriates funding for goods/services received in a current fiscal year. Therefore, when a refund is received for goods/services received in a year different from the current fiscal year 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 it is received in the current fiscal year, but the prior year 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 fiscal year and decreases expenditures in the prior fiscal year. The process to be followed to prepare the JV1 is the same as if the claim was paid out of the wrong fiscal year. See procedure 235.300 for details on how to prepare the JV1.
- 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 fiscal year. See Pre-Audit procedure 280.101 for details on how to prepare the CR document.

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 fiscal year, but the prior fiscal year 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 which transfers the credit to the State General Fund or other appropriate fund.

(1) The buyer's account coding on the IET should be exactly the same as it was on the GAX / PRC.

(2) The seller's account coding on the IET is as follows:

0001 / 997 / department's misc. # / 0667

EXAMPLE: department's misc. #--department # 005, misc. # 0050

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(3) Sub-revenue and sub-object codes may be needed. See procedure 280.301 to determine if these are necessary.

(4) Process the IET and the GAX with the appropriate cross-referencing.

- 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 that 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 for general details on how to prepare a CR document.

(1) **If the funding source is a general fund appropriation**, the account coding that must be used on the CR is: 0001 / 997 / department's misc. # / 0667

EXAMPLE: department's misc. #--department #005, misc. #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 should 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 fiscal year.

4. Any questions on the above procedures should be directed to the DAS-SAE-Daily Processing.