



85.42 Expenditures, Expenses, and Cash Disbursements - Illustrative Entries

85.42.10

May 1, 1999

These entries are for illustrative purposes

The entries in this section illustrate the recording of expenditures/expenses and cash disbursements in the accounting records. These entries are for illustrative purposes **only** and should **not** be considered all inclusive. Entries posted to GL Code Series 71XX “In-Process” in treasury and treasury trust accounts also require an entry from the Office of State Treasurer (OST) as illustrated below to clear the In-Process GL Codes.

| | Dr. | Cr. |
|--|-----|-----|
| In-Process (71XX) | xxx | |
| Current Treasury Cash Activity (OST only) (4310) | | xxx |

The entry would be reversed for In-Process debit amounts.

85.42.20

June 1, 2011

Encumbrances

85.42.20.a

To record the establishment of encumbrances or increases to existing encumbrances for budgeted accounts. Refer to Subsection 85.30.10.

| | Dr. | Cr. |
|----------------------------------|-----|-----|
| Encumbrances (6410) | xxx | |
| Reserved for Encumbrances (9510) | | xxx |

85.42.20.b

To record encumbrance liquidations for budgeted accounts. Refer to Subsections 85.30.10 and 85.32.40.e.

| | Dr. | Cr. |
|----------------------------------|-----|-----|
| Reserved for Encumbrances (9510) | xxx | |
| Encumbrances (6410) | | xxx |

85.42.30

May 1, 1999

Expenditure/expense disbursements

To record expenditure/expense disbursements for goods and services received. Refer to Subsection 85.36.50.

| | Dr. | Cr. |
|---|-----|-----|
| Cash Expenditure/Expense (6510) (with appropriate subobject) | xxx | |
| Cash in Bank (1110) or Warrants/ACH Payments In-Process (7120) | | xxx |

85.42.40

July 1, 2011

Recording payroll

85.42.40.a To record payroll expenditures/expenses. Refer to Subsection 85.34.10.

| | Dr. | Cr. |
|--|-----|-----|
| Cash Expenditure/Expense (6510) (with appropriate subobject) | xxx | |
| Cash in Bank (1110) or Journal Vouchers In-Process (7140) | | xxx |

85.42.40.b To record the receipt of cash in the payroll revolving account and the establishment of the payroll liabilities for agencies using the state's Human Resource Management System (HRMS).

| | Dr. | Cr. |
|--|-----|-----|
| Journal Vouchers In-Process (7140) | xxx | |
| Accrued Salaries and Fringe Benefits Payable (5124) | | xxx |
| Employee Insurance Deductions Payable (5181) | | xxx |
| Industrial Insurance and Medical Aid Deductions Payable (5187) | | xxx |
| Garnishment Deductions Payable (5189) | | xxx |
| Other Liabilities (5199) | | xxx |

| | | | |
|------------|---|-----|-----|
| 85.42.40.c | To record subsequent liquidation of payroll and related liabilities in the payroll revolving account. | | |
| | | Dr. | Cr. |
| | Accrued Salaries and Fringe Benefits Payable (5124) | xxx | |
| | Employee Insurance Deductions Payable (5181) | xxx | |
| | Industrial Insurance and Medical Aid Deductions Payable (5187) | xxx | |
| | Garnishment Deductions Payable (5189) | xxx | |
| | Other Liabilities (5199) | xxx | |
| | In-Process (71XX) | | xxx |

85.42.50 Recording shared leave

May 1, 1999

| | | | |
|------------|--|-----|-----|
| 85.42.50.a | To record transfer of shared leave between employees within an agency and within the same account. Refer to Subsection 85.34.20. | | |
| | | Dr. | Cr. |
| | Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable) | xxx | |
| | Cash Expenditures/Expenses (6510) (Subobject BW) | | xxx |
| 85.42.50.b | To record transfer of shared leave between employees of different agencies and/or accounts. | | |
| | Donor's Operating Account: | | |
| | | Dr. | Cr. |
| | Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable) | xxx | |
| | Cash in Bank (1110) or In-Process (71XX) | | xxx |
| | Donee's Operating Account: | | |
| | | Dr. | Cr. |
| | Cash in Bank (1110) or In-Process (71XX) | xxx | |
| | Cash Expenditures/Expenses (6510) (Subobject BW) | | xxx |

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Accounting Procedures

85.42.60

85.42.50.c To record the payroll for an employee using donated shared leave.

| | Dr. | Cr. |
|---|-----|-----|
| Cash Expenditures/Expenses (6510) (Object A, B) | xxx | |
| Cash in Bank (1110) or In-Process (71XX) | | xxx |

85.42.50.d To record reversion of unused shared leave when employees are within the same agency and account.

| | Dr. | Cr. |
|---|-----|-----|
| Cash Expenditures/Expenses (6510) (Subobject BW) | xxx | |
| Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable) | | xxx |

85.42.50.e To record reversion of unused shared leave when employees are from different agencies and/or accounts.

Donor's Operating Account:

| | Dr. | Cr. |
|---|-----|-----|
| Cash in Bank (1110) or In-Process (71XX) | xxx | |
| Cash Expenditures/Expenses (6510) (Subobject BT, BU and BV, as applicable) | | xxx |

Donee's Operating Account:

| | Dr. | Cr. |
|--|-----|-----|
| Cash Expenditures/Expenses (6510) (Subobject BW) | xxx | |
| Cash in Bank (1110) or In-Process (71XX) | | xxx |

85.42.60
May 1, 1999

Amounts due deceased employees

85.42.60.a To record amounts owed to deceased employees. Refer to Subsection 85.34.30.

| | Dr. | Cr. |
|---|-----|-----|
| Cash Expenditures/Expenses (6510) (with appropriate subobjects) | xxx | |
| Due to Deceased Employees' Estates (5145) | | xxx |

| | | | |
|------------|---|-----|-----|
| 85.42.60.b | To record the liquidation of the liability when the funds are released for payment. | | |
| | | Dr. | Cr. |
| | Due to Deceased Employees' Estates (5145) | xxx | |
| | Cash in Bank (1110) or | | |
| | Warrants/ACH Payments In-Process (7120) | | xxx |

85.42.70 Salary overpayment recoveries

May 1, 1999

| | | | |
|------------|---|-----|-----|
| 85.42.70.a | To record the recovery of net pay and related deductions, or employer costs, for a salary overpayment. Refer to Subsection 85.34.40.c. | | |
| | | Dr. | Cr. |
| | Receipts In-Process (7110) | xxx | |
| | Cash Expenditures/Expenses (6510) (Subobject A, B or N series) | | xxx |
| 85.42.70.b | To record the reduction in full time equivalents (FTEs) for any excess hours associated with a salary recovery. Refer to Subsection 85.34.40.c. | | |
| | | Dr. | Cr. |
| | Statistical Clearing Account (0998) | xxx | |
| | Actual FTEs (0120) | | xxx |

85.42.80 Cancellations of non-deliverable, SOL, and lost or destroyed warrants

July 1, 2012

To record cancellations of non-deliverable warrants, warrants statutorily canceled by the Office of the State Treasurer, and lost or destroyed warrants. Refer to Section 85.38.

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|--|---|-----|-----|
| | | | |
| | | Dr. | Cr. |
| | Warrant Cancellations In-Process (7130) | xxx | |
| | Liability for Canceled Warrants/Checks (5194) | | xxx |

85.42.85

July 1, 2012

Cancellations of warrants issued in error

To record cancellations of warrants issued in error. Refer to Subsection 85.38.10.

| | Dr. | Cr. |
|---|-----|-----|
| Warrant Cancellations In-Process (7130) | xxx | |
| Cash Expenditures/Expenses (6510) or | | |
| Cash Revenues (3210) | | xxx |

85.42.90

July 1, 2012

Re-issuance of canceled warrants

To record re-issuance of warrants previously canceled due to warrant being non-deliverable, statutorily canceled by the Office of the State Treasurer, or lost or destroyed. Refer to Section 85.38.

| | Dr. | Cr. |
|---|-----|-----|
| Liability for Canceled Warrants/Checks (5194) | xxx | |
| Warrants/ACH Payments In-Process (7120) | | xxx |

85.42.95

May 1, 1999

Forged endorsement

85.42.95.a

To record the bank credit for the redemption of forged warrants. Refer to Subsection 85.38.30.a.

| | Dr. | Cr. |
|----------------------------|-----|-----|
| Receipts In-Process (7110) | xxx | |
| Other Liabilities (5199) | | xxx |

85.42.95.b

To record re-issuance of forged warrants. Refer to Subsection 85.38.30.a.

| | Dr. | Cr. |
|---|-----|-----|
| Other Liabilities (5199) | xxx | |
| Warrants/ACH Payments In-Process (7120) | | xxx |