

2011.0 Overview of Cash Match Budgets (200 Series)

A. County DFCS departments receive the local entity's budget for a fiscal year, but this might not be the same as the States' July to June fiscal year. All county budgets are included in the annual county department budgets sent to DFCS Budget Services each year.

1. **EXPENSES:** The GIA Cash Match Budget will show the combined amounts of the local entity's and GIA to be expended. These amounts are shown on the proposed expenses budget lines on Form 753 (SCHEDULE OF PERSONAL SERVICES AND TRAVEL BY SCOA).

For example, if the county department intends for the annual Cash Match Budget to include \$500 for Administrative staff's travel, this entire amount will be entered on the travel expense object (640.001) for Cash Match Administration (Program 206)

There is no attempt to make a distinction when entering line-item totals as to their funding breakdown or matching ratios.

2. **FUND SOURCES:** After all cash match expenditures are entered into the Cash Match budget, the matching amounts from the local entity and GIA are entered in the Fund Source description and amount section at the bottom of Form 753, page 2 (SCHEDULE OF REGULAR OPERATING, FACILITY & TELECOMMUNICATION COST). See the chart below for the matching ratios for the local entity and GIA's portion of the budget.

Program	Description	State Portion	County Portion
201	Cash Match Eligibility	50%	50%
203	Cash Match Services	0%	0%
206	Cash Match Administration	50%	50%
207	Cash Match Admin Salary Supplements	25%	75%
208	Cash Match Mental Health Eligibility	50%	50%
211-231	Cash Match (may be used for positions at the hospitals, nursing homes, board of education)	50%	50%

If in this example, the Cash Match Administration budget only consisted of the \$500 travel expense, the local entity's cash match amount would be \$250 and GIA's portion would also be \$250.

B. LOCAL OPERATIONS BUDGET (400 SERIES): The local operations budgets should must include adequate budgeted funds for the local entity's share of the cash match obligation.

This will identify the total amount of funding that the local entity is expected to provide.

It is recommended that the local share of the cash-match expenditures on the local entity's operations budget not be broken down into expense categories, but included all on the Other Operating Expense line item (627.001).

However, once the budget is loaded, you will need to take the local entity's cash match amounts out of the Other Operating Expense line item and move to the appropriate Chart of Account numbers established for tracking there budget and expenditures.

DRAFT

2011.1 Cash Match Procedures Overview

1. Disbursements from the local entities' expenditure accounts:

Cash Match transactions are posted using the full amount in the appropriate expenditure account on the accounting records. At the end of each month, a general journal entry is to be completed accruing the local entity's share of the month's expenditures.

Using the example of the Cash Match Administration (Program 206) travel expenditure and a \$500 check was written to the employee and recorded in the cash match expenditure account 640.206.

To show the local entity's share of the cash match expenditure, a general journal entry is prepared to show the increase to the county expenditures. To keep the cash match expenditures amount separate from actual county expenditures, unique account numbers were established to correspond to their Cash Match offsetting program, such as Program 201 is Cash Match Eligibility, so 880.401 is the County expenditure offset for Cash Match Program 201.

DEBIT	Local Share of C/M Expenditures
CREDIT	GIA Revenue – C/M Program XXX

The general journal entry for the example above would be:

880.406	Local Share of C/M Expenditures 206	\$250
422.206	GIA Revenue – C/M Admin 206	\$250

The "credit" entry to account 422.206 is a way of "balancing out" the revenue account. GIA will reimburse the county DFCS office for \$250 and this entry enters the local entity's share of the revenue.

NOTE: The appropriate expenditure accounts will need to be established for each separate program using the unique three (3) -digit sub-account numbers. This will allow SMILE to generate a Department Statement that will show transactions for this program alone, such as you would need a 614.206 to identify Supplies paid with local entity's funds, or 640.206 to identify Travel paid with Local entity's funds.

DEBIT - Post to appropriate expense account (614.206, 640.206)
CREDIT - Cash in Bank (114.101)

EXAMPLES of what happens in SMILE:

614.206 Cash Match - Admin Supplies
114.101 Cash in Bank

640.206 Cash Match – Admin Travel
114.101 Cash in Bank

2. At month-end, you will first need to prepare your Cash Match Accrual journal entries.

Print your Regular Operating, Payroll and Travel Expenditures Reports by county. Using these reports, you will be able to identify each local entities' portion of the cash match expenditures for the month.

If the General Journal entries are prepared correctly, the Revenue Accounts versus the Expenditure Accounts on the Department Statement for your local entities should be the percentage due back from the state.

DEBIT – Local Share of C/M Expenditures (880.XXX)
CREDIT - GIA Revenue – C/M Program

EXAMPLE:

880.401 Local Share of C/M Eligibility
422.201 GIA Revenue – C/M Program 201

3. Once you have completed Step #2 above, you will the need to follow County Fund Procedures Section 2010.