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2010 BUDGETS – Local Operations (400 series)

- A. Each county office should have an approved budget and/or a contract each year with each local entity they plan to use as a fund source.
- B. When preparing these budgets for local operations, regional accounting will need to include all of the approved budget amounts for the local entity, including their share of any cash match funded programs. Local entities need be able to see their total budget allocation; whether it is the 100% funded expenditures or their cash match funded expenditures.

NOTE: The local share of the cash-match expenditures on the local entity's operations budget (series 400) should not be broken down into individual expense categories, but included in the Other Operating Expense line item (627.001).

NOTE 2: However, once the 400 Series 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 them to the appropriate Chart of Account numbers established for tracking there budget and expenditures, such as 812.450 and 812.460, which represent Clothing for Foster Care children under 13, and Clothing for Foster Care children 13 and above.

- C. Every local entity will be assigned a unique three (3)-digit program number fund source UNLESS an established UAS program number for the Fund/Program already exists. (Check SCOA for these.) Due to the variety of funding possibilities, it is virtually impossible to standardize UAS program number for all local entity fund sources.

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2010.1 ACCOUNTING PROCEDURES FOR LOCAL ENTITY FUNDS

Requisition Procedures

1. Disbursements from the local entities' expenditure accounts:

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 614.450 to identify Supplies paid with County Government funds, or 614.456 to identify Supplies paid with Local Family Connection funds.

DEBIT - Post to appropriate expense account (614.450, 812.450)
CREDIT - Cash in Bank (114.101)

EXAMPLES of what happens in SMILE:

614.450 County Supplies
114.101 Cash in Bank

614.456 Family Connection Supplies
114.101 Cash in Bank

2. At month-end, you will need to prepare your Accounts Receivable journal entries.

Print your Regular Operating, Direct Benefits, Payroll and Travel Expenditures Reports by county. Using these reports, you will be able to identify each local entity's expenditures for the month.

If the General Journal entries are prepared correctly, the Revenue Accounts will always equal the Expenditure Accounts on the Department Statement for your local entities.

DEBIT – Accounts Receivable - 124.XXX
CREDIT - Revenue Account set up for the program - 431.XXX or 450.XXX

EXAMPLE:

124.XXX Accounts Receivable – Bartow Co
450.008 County Revenue – General – Bartow Co

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- Whether the DFCS office or the Regional Accounting office is preparing the requisitions, they will need to work together with the local entity and determine what information the local entity needs for reporting purposes. Using information obtained from the DFCS accounting system, the DFCS office or Regional Accounting office will generate a requisition for the local entity identifying their expenditures for the month.

The local entity may also require a monthly report showing the original budget less each month's expenditures in order to track remaining budget.

Receipting the check back into the lead county's bank account:

DEBIT - Cash In Bank – 114.101
CREDIT – Accounts Receivable - 124.XXX

EXAMPLE:

114.101 Cash in Bank
124.XXX Accounts Receivable – Bartow Co

Cash Advances Procedures

The following are the recommended accounting procedures for DFCS offices receiving advances from local entities (400 series).

Advances are usually received monthly (1/12 of the budget), quarterly (1/4 of the budget) or semi-annually (1/2 of the budget). When funds are advanced, due to GAAP policy, they cannot be considered Revenue until the DFCS office actually has expenditures that will be funded by this advance (*paying salaries/fringes, paying for supplies or a service, etc.*).

- Receipting and Posting the Advance:

Advances are received at the local DFCS office. The receipt is recorded in the appropriate local entities' Restricted Fund Cash Advance Account. This is true for all funding originating at the local level, be it the *County Commissioners, FEMA, local hospital authority, Family Connection, etc.*

DEBIT - Cash in Bank (117.XXX) – XXX represents the County #
CREDIT - Local Entities' R/F Cash Advance Account (284.254)

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2. Disbursements from the local entities' expenditure accounts:

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 614.450 to identify Supplies paid with County Government funds, or 614.456 to identify Supplies paid with Local Family Connection funds.

DEBIT - Post to appropriate expense account (614.450, 812.450)
CREDIT - Cash in Bank (114.101)

EXAMPLES of what happens in SMILE:

614.450 County Supplies
114.101 Cash in Bank

614.456 Family Connection Supplies
114.101 Cash in Bank

3. At month-end, you will need to prepare your Accounts Receivable journal entries.

Print your Regular Operating, Direct Benefits, Payroll and Travel Expenditures Reports by county. Using these reports, you will be able to identify each local entity's expenditures for the month.

This General Journal entry is done after the expenses are incurred, therefore, the local entity has earned the Advance and it must be reclassified to Revenue.

If the General Journal entries are prepared correctly, the Revenue Accounts will always equal the Expenditure Accounts on the Department Statement for your local entities.

DEBIT - Accounts Receivable - 124.XXX
CREDIT - Revenue Account set up for the program - 431.XXX or 450.XXX

EXAMPLE:

124.XXX Accounts Receivable – Bartow Co
450.008 County Revenue – General – Bartow Co

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4. Month-end Close-Out:

After the General Journal entries have been completed and you know the amount that is due from your Local Entities' Restricted Fund Cash Advance Account, you will need to cut a check from your R/F account to cover your Accounts Receivable balance.

Cut a check from your CW Module as follows:

- Child # is the number of the local entities' Cash Advance Account
- Vendor will be the Lead County DFCS office
- Bank # will be the corresponding county's bank account, #20 – Bartow
- Type will be 25400
- Description can be whatever helps RA identify the cost later, it could be each COA # that had an expenditure or it could be the total
- Cut check using a BANK #20..... check

Receipting the check back into the lead county's bank account:

DEBIT - Cash In Bank – 114.101
CREDIT – Accounts Receivable - 124.XXX

EXAMPLE:

114.101 Cash in Bank
124.XXX Accounts Receivable – Bartow Co

5. Fiscal Year-end Instructions:

NOTE: If there are not enough funds available in the local entities' Cash Advance Account to cover their expenditures, then the amount not covered by the Advance would remain in the Accounts Receivable account until regional accounting and the DFCS office can determine how to handle the shortage.

NOTE 2: If there are funds remaining in the Cash Advance account, and the DFCS office is planning on moving the unused funds to their County's restricted Fund Fund Balance Account, it must first be declared as County Revenue.

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The following General Journal entry is prepared manually for June's month-end closing.

DEBIT – Fund Balance Clearing Account – 889.450
CREDIT - Revenue Account set up for the program - 431.XXX

EXAMPLE:

889.450 Fund Balance Clearing Account
450.008 County Revenue – General – Bartow Co

And complete this entry also.....

DEBIT – Accounts Receivable - 124.XXX
CREDIT - Fund Balance Clearing Account

EXAMPLE:

124.XXX Accounts Receivable – Bartow Co
889.450 Fund Balance Clearing account

After the General Journal entries have been completed and you know the amount that is to be moved to your County's R/F Fund Balance Account, you will need to cut a check from the main account and send to the appropriate local county to post.

Cut a check from your GL Module as follows:

- Vendor will be the appropriate local County DFCS office
- Bank # 1
- Account # will be 124.XXX
- Description can be whatever helps RA identify the cost later, it could be each COA # that had an expenditure or it could be the total

Receipting the check back into the local county's bank account:

DEBIT - Cash In Bank – 117.XXX
CREDIT – R/F County – 284.254

EXAMPLE:

117.XXX Cash in Bank
284.254 R/F County – 284.254