

**SAM—TRUST AND AGENCY FUNDS—FEDERAL**

**YEAR-END REPORTING**

**17130**

(Revised 06/10)

All departmental Federal Trust Fund accounts are maintained on a modified accrual basis throughout the year. Under the modified accrual basis of accounting, expenditures are accounted for in the period in which goods and services are received and a liability is incurred. Expenditures are accrued at June 30 for all valid obligations incurred as of June 30 but not yet paid. Liabilities may be incurred at any time throughout the year; however, accruals are posted only at year-end. Accounts receivable are accrued at June 30 if they have been earned and are expected to be collected within one year after the end of the current fiscal year. The accrual process brings the State Controller's Office accounts, which are maintained on a cash basis, in line with departmental accounts.

General instructions in SAM covering the State's fiscal procedures are applicable to the Federal Trust Fund.