

SAM—BASIS OF ACCOUNTING

ABATEMENTS OF EXPENDITURES

10220

(Revised 2/99)

Only the following receipts will be accounted for as abatements:

1. Refunds of overpayments of salaries (including (a) any receipts described in SAM Section 8536 received either directly from the employee, or from the State Compensation Insurance Fund, and not given to the employee because to do so would overpay him/her and, (b) employing state agency subrogation receipts described in SAM Section 8775);
2. Rebates from vendors or from third parties for defective merchandise, return of merchandise, return of empty containers, promotional purposes (e.g., incentives to purchase products or services), or other reasons;
3. Jury duty and witness fees;
4. Property damage or loss recoveries;
5. Sales tax collected—where an agency is supported by a legislative appropriation specific in amount, otherwise, the collection is to be credited to account number 3790, Other Current Liabilities (see SAM Section 8725 for accounting instructions);
6. Sales of items which were budgeted as an abatement (all other receipts from sales of items will be credited to revenue);
7. Merit award payments received from another agency or fund;
8. Employee payments for private use of state resources such as personal long distance telephone charges;
9. Denied boarding compensation payments from airline companies to individuals who are denied boarding on a flight. Such payments are to be credited to the travel expense allotment;
10. Repayments from employee organizations to reimburse departments for employee leave of absence time spent on collective bargaining issues (see SAM Section 8594.4 for accounting instructions); and
11. Other abatements—Departments must obtain written approval from Department of Finance, Fiscal Systems and Consulting Unit for situations not classified above.

Only the eleven above described types of transactions require that expenditure figures be adjusted. Therefore, only those transactions are to be accounted as abatements. The coding structure for these abatements are located in the Receipts Section of the Uniform Codes Manual. Agencies at times are reimbursed by other agencies, persons, etc., for materials or services furnished or for payments made to others on behalf or because of such agencies, persons, etc. Such items are not to be accounted as abatements.

All abatements will be credited to the expenditure account originally charged (or to a prior year appropriation adjustment account if the expenditure account has been closed) and will augment the appropriations, unless reverted, and funds from which the payments were made except:

1. Receipts from sales of items which were budgeted as abatements will be abated to the appropriations from which the replacement items are purchased;
2. Sales tax collections (SAM Section 8725); and
3. Rebates from vendors for return of empty containers will be abated to the current year expenditure account and augment the current year appropriations, unless the rebates are large amounts, result from transactions which are not of a regular recurring nature, and can be identified as an expenditure from a specific appropriation.