

SAM-MISCELLANEOUS ACCOUNTING PROCEDURES

ACCOUNTING FOR WITHHELD PAYMENTS
(Revised 3/87)

8795

Rule, regulation, law or agency practice may require that a certain amount be withheld from amounts owing a person or entity. Unless otherwise provided by law, when payments are made and an amount is withheld an entry will be made in the records to record such amount withheld, except that amounts representing contingent liabilities will be reported as prescribed in SAM Section 8751. When withheld amounts are paid or written off, the debit portion of the entry will be to the accounts payable account. An illustration follows:

1. Amounts withheld:

Debit

9000	Appropriation Expenditures	a/
9893	Prior Year Appropriation Adjustments	b/

Credit

3010	Accounts Payable	c/
3020	Claims Filed	d/

- a/ Portion of c + d applicable to current year expenditures
- b/ Portion of c + d applicable to prior year expenditures
- c/ Amount withheld
- d/ Total amount of claim less amount withheld

2. Amount withheld written off:

Debit

3010	Accounts Payable	a/
------	------------------	----

Credit

9000	Appropriation Expenditures	b/
9893	Prior Year Appropriation Adjustments	c/

- a/ Amount withheld being written off
- b/ Amount being written off which was withheld and charged to the current year appropriation
- c/ Amount being written off which was withheld and charged to a prior year appropriation

3. Amount withheld paid:

Debit

3010	Accounts Payable
------	------------------

Credit

3020	Claims Filled
------	---------------

Agencies will apply consistently from year to year the basis for determining what portion of withheld payments are real liabilities and what portion are contingent liabilities. Any change in such basis will be made only in accordance with SAM Section 8793