

# SAM – STATE CONTROLLER’S ACCOUNTS

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## SAM – STATE CONTROLLER’S ACCOUNTS

### GENERAL

8800

(Revised 3/1987)

A general description of fund accounting in the [State Controller's Office](#) is presented in Sections 8800 to 8860. It is included in this manual to assist agency accounting personnel in understanding how their accounts coordinate with the central accounts maintained by the State Controller's Office to provide a comprehensive system of central accounts for the State. Descriptions of the Treasurer's accountability accounts and centralized State Treasury System accounts maintained by the State Controller's Office are contained in Sections 8880 and 8890.

The central fund accounts of the State are maintained by the Division of Accounting of the State Controller's Office. During the fiscal year they are kept on a cash basis and provide that office with the following information to the degree applicable for each fund: cash, investments, appropriation balances, disbursements (by appropriation if the fund is appropriated by specific appropriations), estimated revenue (or operating income) balances, and receipts by source. This information is needed to assure that money and, where applicable, specific appropriations for its expenditure exist whenever claims are presented for payment, and to prepare periodic financial reports.

The accounts are posted during the fiscal year on the basis of cash ordered into the funds in the treasury, transfers between funds, and warrants issued.

At the end of the fiscal year, each agency operating from a Governmental Cost Fund or a Bond Fund sends to the State Controller's Office a Report of Accruals to Controller's Accounts for each such fund from which it operates. This report is in essence a compound journal entry consisting of (1) current assets, current liabilities, and deferred credits accounted by the agency but not yet recorded in the central accounts and (2) application of these assets, liabilities, and deferred credits to the central accounts. The posting of all such accrual reports to the central accounts results in a consolidation of all assets, liabilities, and net worth for each Governmental Cost Fund on a modified accrual basis. This brings the central accounts to the same basis, for reporting purposes, as the agency's detailed accounts at June 30. It is called a "modified" accrual basis because revenues are accrued only if it is expected that they are billed and will be collected within one year after the end of the current fiscal year.

At the end of the fiscal year, agencies will submit to the State Controller's Office (for each of their funds) trial balances, operating statements analyzing changes in fund balances, and, upon request of the State Controller's Office, statements of financial condition. The State Controller's Office will check the balances of the accounts it keeps to the balances of such accounts as shown on these statements. It will incorporate into its annual report the data shown on the statements.

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### FUND LEDGER

8810

(Renumbered 2/1965)

Fund ledger accounts are maintained on a fiscal year basis. All transactions, except year-end accruals, are posted in the fiscal year ledger account current as of the date of posting. Accrual entries are posted on and after July 1 each year to the ledger account for the fiscal year ended on the preceding June 30.

### GROUPING OF LEDGER ACCOUNTS

8812

(Revised 3/1974)

The fund ledger is divided into several groups. The major grouping is between Governmental Cost Funds and Non-Governmental Cost Funds. These in turn are grouped by type of fund as follows:

1. Governmental Cost Funds
  - a. General Fund
  - b. Transportation Funds
  - c. Feeder Funds
  - d. Other Governmental Cost Funds
2. Non-Governmental Cost Funds
  - a. Public Service Enterprise Funds
  - b. Working Capital and Revolving Funds
  - c. Bond Funds
  - d. Retirement Funds
  - e. Trust and Agency Funds–Federal
  - f. Trust and Agency Funds–Other

### ESTABLISHMENT OF FUND LEDGER

8813

(Revised 2/1998)

As of July 1 each year [the State Controller’s Office](#) establishes a new ledger account for each appropriation and category included in the Budget Act. Based upon the Governor's Budget, control and subsidiary accounts are established for estimated revenues (or operating revenues), and fixed charges. The major sources of revenue estimates are adjusted during the year for any revised estimates contained in the subsequent year's Governor's Budget. Ledger cards also are prepared for the June 30 balances of all accounts in the prior year's ledger. The account balances forwarded are transferred on a cash basis and do not reflect any of the year-end accruals.



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### **POSTING DOCUMENTS**

**8830**

(Revised 2/1998)

Postings to these fund accounts normally are based on the following documents:

1. Agency Claim–Form 218 (TC-50)

A formal document presented to the State Controller’s Office on which the duly authorized officer of a state agency makes a formal request for payment of expenditures incurred.

2. Controller's Appropriation Set Up/Adjustments–(TC-23/24)

A document used by the State Controller’s Office to set up the Budget Act and special legislation appropriating funds to the state agencies. TC-24 is used to effect budget adjustments.

3. Controller's Surplus Money Investment Fund Transfer–(TC-29)

A document used by the State Controller’s Office to record deposits in and withdrawals from the Surplus Money Investment Fund.

4. Controller's Receipt–(TC-30)

A document used by the State Controller’s Office to order a remittance received by the State Treasurer’s Office into the proper fund and to the credit of the proper account or accounts in the SCO Fiscal System.

5. Controller's Notice of Cancellation of Warrants–(TC -33)

A document prepared by the State Controller’s Office to cancel an outstanding warrant in accordance with provisions of law covering such cancellations. Please note that warrants issued from January 1, 1998 are valid for one year and are canceled thereafter.

6. Controller’s General Journal–(TC-35)

A document used by the State Controller’s Office to record bookkeeping adjustments affecting the accounts within one state fund.

7. Controller Plan of Financial Adjustment Transfer–(TC-36)

A document used by the State Controller’s Office to re-distribute expenditures, previously paid from an agency’s primary appropriation, to the proper appropriations.

(Continued)

## SAM – STATE CONTROLLER’S ACCOUNTS

(Continued)

### POSTING DOCUMENTS

8830 (Cont. 1)

(Revised 2/1998)

8. Controller’s Payroll Revolving Fund Transfer–(TC-37)

A document used by the State Controller’s Office to record payroll transaction.

9. Controller’s General Transfer–(TC-38)

A document used by the State Controller’s Office to effect the transfer of moneys between state funds, other than those processed by specialized TC documents.

10. Controller’s No Warrant Transaction–(TC-39)

A document used by the State Controller’s Office, in lieu of issuing a warrant, to record expenditures normally between state agencies.

11. Controller’s Reserved Appropriation Advance–(TC-40)

A document used by the State Controller’s Office to record appropriation advances, generally to DGS for printing and other services.

12. Controller Architecture Revolving Fund Transfer–(TC-41)

A document used by the State Controller’s Office to effect transfer from the agency’s appropriation to the Architecture Revolving Fund for capital outlay projects.

13. Controller’s Claim Schedule Reversion–(TC-49)

A document used by the State Controller’s Office to record the voiding or reversion of a claim schedule (TC-50) due to insufficient cash and/or appropriation authority.

### YEAR-END ACCRUALS

8860

(Revised 3/1987)

Agencies prepare Reports of Accruals to Controller's Accounts only with respect to Governmental Fund and Bond Fund activities. Upon receipt of such accrual reports, the [State Controller's Office](#) reviews them and, if any discrepancies are disclosed, contacts the applicable agencies to reconcile the difference. Based on the agency accrual reports, the State Controller's Office records all current assets, current liabilities, and deferred credits accounted by the agencies but not recorded previously by the State Controller's Office and applies these amounts to its revenue, appropriation, and fixed charge accounts.

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### TREASURER'S ACCOUNTABILITY LEDGER

8880

(Revised & Renumbered 2/1965)

In accordance with Section [12413](#) of the Government Code, the State Controller's Office maintains a record of the cash accountability of the [State Treasurer's Office](#). This accountability is reflected in the following group of self-balancing accounts:

<u>ACCOUNT TITLE</u>	<u>NORMAL BALANCE</u>
Cash on Hand and in Demand Deposits	Debit
Cash in Time Deposits	Debit
Cash with Fiscal Agents	Debit
Pooled Money Investments <i>(Includes discount, accrued interest, and premiums)</i>	Debit
Agriculture Marketing Trust Investments	Debit
Sacramento Clearing House Current Account	Debit or Credit
Accountability for Fund Cash	Credit
Accountability for Outstanding Warrants	Credit
Premium Amortization and Discount Applicable to Future Interest Collections	Credit
Accountability for Uncleared Collections	Credit
Accountability for Agency Bank Accounts	Credit
Accountability for Agriculture Marketing Trust Investments	Credit

The titles of most of the above accounts are self-explanatory. The Sacramento Clearing House Current account shows the amount, receivable from (debit balance) or payable to (credit balance) the clearing house because the amount paid by the State Treasurer's Office, pursuant to a clearinghouse request for payment for state warrants and checks delivered, exceeds or is exceeded by the amount of state warrants and checks actually accepted by the State Treasurer's Office after their review by that office for drawer, stop payments, and other factors pertinent to their being accepted or rejected and returned to the clearing house.

## SAM – STATE CONTROLLER’S ACCOUNTS

### CENTRALIZED STATE TREASURY SYSTEM LEDGER

8890

(Revised & Renumbered 2/1965)

The [State Controller's Office](#) maintains a separate ledger account for each agency Checking Account in the centralized State Treasury System. Normally this account consists of agency general cash, trust fund cash, and revolving fund cash. A few agencies have separate accounts in the centralized State Treasury System for one or more of the types of cash they handle. Usually, however, all of the agency's cash is combined in one General Checking Account. These accounts are debited from deposit slips for deposits made by agencies. They are credited from agency checks that have been redeemed by the [State Treasurer's Office](#).