

SECTION 240: MONITORING OF COLLECTIONS AGAINST ESTIMATES

1. General Description. This section describes the use of the receipt reports provided by DAGS Accounting Division, to help maintain the integrity of the actual and estimated receipts information on a current basis. The reports provide comparative information, and they should be used to:
 - (a) Identify problems in collection activities.
 - (b) Reveal errors in coding receipt transactions.
 - (c) Prevent over- and underestimating.
 - (d) Expose unrealistic budgeting criteria.
 - (e) Prepare future estimates.
2. Receipt Reports Available for Comparison. The accounting reports for receipts furnished by DAGS Accounting Division serve as the basic record for the estimates and actual collections. The budget figures for estimates of receipts are as provided by the Department of Budget and Finance. The actual collections reflected on the reports are as recorded on the basis of transactions processed through DAGS Accounting Division. The receipt reports are presented in three different formats for purposes of facilitating the review process.
 - (a) SOURCE OF RECEIPT LEDGER, REPORT 070. This report reflects actual receipts, by transaction, for each source of receipt account.
 - (b) SOURCE OF RECEIPT LEDGER STATUS, REPORT 075. This report reflects the ending status of each source of receipt account, for each department or agency.
 - (c) COMPARISON OF RECEIPTS BY SOURCE, REPORT 151. This report compares actual receipts to biennium estimates in a more summarized format. The information presented is similar to REPORT 070, without the detailed line transactions. The only difference between this report and the ANNUAL COMPARISON OF RECEIPTS BY SOURCE, REPORT 150, which is also available, is that the latter report is printed annually, only on June 30, while the former is printed on a monthly basis.
3. Reconciling Receipt Reports. Before any comparative type of analysis is made, the receipt reports should be reconciled with departmental records to ensure that the information being analyzed is not distorted with erroneous data.

SECTION 240: MONITORING OF COLLECTIONS AGAINST ESTIMATES

- (a) Determine the accuracy of the estimated amounts. The estimated amounts for the biennium period should be verified with the departmental records for budgetary estimates and other adjustments processed through the Department of Budget and Finance. Although all of the receipt reports provide information on estimates, REPORT 151 summarizes the information for ease of reference. The detail postings of estimates are reflected on REPORT 070.
 - (b) Determine the accuracy of the collected amounts. The amounts collected as reflected on the receipt reports should be reconciled with the departmental records for cash collections and other adjustments processed through DAGS Accounting Division. When differences are identified, reference to REPORT 070 should be made to trace the details of the receipt entries.
4. Evaluating Variances. The evaluation of the variances between receipt estimates and actual collections should be beneficial to departments and agencies in managing their operations. The following are some of the purposes for making these comparisons:
- (a) Identify problems in collection activities. The comparison of estimates and actual collections may reveal problems in the collection activity within the department or agency. Investigations may reveal that the collection activity is not being maintained on a current basis or that fraud is being committed due to laxness of internal control procedures.
 - (b) Reveal errors in coding receipt transactions. The comparison of receipts may reveal problems in the coding of the receipt transactions. Employees responsible for the preparation of the source documents for receipts may not be apprised of the proper coding to be used for the various sources of receipts.
 - (c) Prevent over- and underestimating. The receipt reports are likely to prevent overestimating and underestimating of receipts by departments and agencies, for the comparative data reflected on the reports will make evident these shortcomings.
 - (d) Expose unrealistic budgeting criteria. The receipt reports provide actual receipts for the current fiscal year and the immediate prior two fiscal years. The collection trend for this three year period may indicate that unrealistic budgeting criteria were used in determining the initial estimates.

STATE OF HAWAII

Accounting Manual

Volume II: Budgetary Control Accounting
Part 200: Receipts

Page 240.03

SECTION 240: MONITORING OF COLLECTIONS AGAINST ESTIMATES

- (e) Prepare future estimates. The comparison results and other corrective action relating to current information should provide a good resource base for the preparation of future estimates.

- 5. Processing Adjustments. Refer also to Section 260, General Description of Receipt Adjustments, of this volume. The processing of receipt adjustments is as follows:
 - (a) Adjustments to estimated receipts must be processed through the Department of Budget and Finance.

 - (b) Adjustments to actual collections must be processed through DAGS Accounting Division.