

SECTION 260: GENERAL DESCRIPTION OF RECEIPT ADJUSTMENTS

1. Purpose. The purposes of receipt adjustments are to correct and adjust the accounting records for estimated receipts and actual collections, and to maintain the agreement of balances with the control accounts for receipts.
2. Responsibilities. The preparation of receipt adjustments is the responsibility of departments and agencies and DAGS Accounting Division. Normally the adjustments prepared by departments and agencies are oriented toward the correction of the transaction itself, whereas the adjustments prepared by DAGS Accounting Division are oriented towards the maintenance of ledger controls for the total accounting system. The limit of responsibilities, however, is not precise, and certain situations will require communication between both organizations to resolve matters.
3. Receipt Adjustments. Receipt adjustments described in this section encompass all of the various types of adjustments made to the receipts portion of the State's accounting system. Except for the maintenance of ledger controls of the central accounting records, and occasions when either DAGS Accounting Division or the Department of Budget and Finance requests information to record adjustments, all of the forms to record the adjustment are initiated and prepared by departments and agencies. These forms include the JOURNAL VOUCHER to record non-routine type error correction and adjustment of previously recorded receipt transactions, and the SUMMARY WARRANT VOUCHER and WARRANTS CANCELLED forms to record receipt-related transactions of other processes of the State's accounting system that affect the receipt records.

The specific types of adjustments include:

- (a) Quarterly estimated receipts adjustments.
 - (b) Reclassification adjustments.
 - (c) Receipts outside the State Treasury.
 - (d) Receipt refunds.
 - (e) Transfer within funds for an erroneous deposit.
 - (f) Cancellation of refund warrants.
4. Types of Adjustments. The types of adjustments affecting the receipt accounting records are:

SECTION 260: GENERAL DESCRIPTION OF RECEIPT ADJUSTMENTS

- (a) Quarterly Estimated Receipts Adjustments. This type of adjustment concerns the estimated receipts adjustments presently requested of departments and agencies on a quarterly basis by the Director of Finance, Department of Budget and Finance. Each quarter, the Director of Finance furnishes DAGS Accounting Division the information to correct and adjust the previously recorded estimated receipt transactions.
- (b) Reclassification Adjustments. This adjustment concerns the correction and adjustment of all previously recorded receipt transactions, excluding estimated receipt transactions, that are posted via the JOURNAL VOUCHER. The origin of this entry is the errors identified by both departments and agencies and DAGS Accounting Division in reconciling the receipt reports. Departments and agencies are responsible for the preparation of the JOURNAL VOUCHER to correct errors committed by them and also for notifying DAGS Accounting Division for other differences identified by them in their review of the receipt reports. DAGS Accounting Division is responsible for the correction of posting errors and other adjustments to maintain ledger control.
- (c) Receipts Outside the State Treasury. This adjustment is for the purpose of recording certain State receipts not deposited in the State Treasury. Under the authority of Section 40-81, the Comptroller issues periodic instructions to the affected departments and agencies to furnish this information, which is posted by DAGS Accounting Division.
- (d) Receipt Refunds.
- (1) The source-document for refunding receipts is the SUMMARY WARRANT VOUCHER, as prepared by the department or agency that originally realized the receipt.
 - (2) On a SUMMARY WARRANT VOUCHER prepared for refunding current-year receipts, transaction code 27 is used, always accompanied by the source code that was used when the receipt was initially recorded under transaction codes 01, 02, 03, 04, or 05.
 - (3) On a SUMMARY WARRANT VOUCHER prepared for refunding prior-year receipts, the refund must be charged to current-year appropriations because the prior-year receipts accounts have been closed and reported; therefore, transaction code 22 should be used, accompanied by object code 90XX (refunds).
- (e) Transfer Within Funds for an Erroneous Deposit. This adjustment is for the purpose of reimbursing a previous erroneous transfer within fund type deposit. The origin of this adjustment is the SUMMARY WARRANT VOUCHER prepared by departments and agencies.

STATE OF HAWAII

Accounting Manual

Volume II: Budgetary Control Accounting
Part 200: Receipts

Page 260.03

SECTION 260: GENERAL DESCRIPTION OF RECEIPT ADJUSTMENTS

- (f) Cancellation of Refund Warrants. The origin of this adjustment is the WARRANTS CANCELLED form prepared by departments and agencies to cancel a previously issued refund warrant (see item (d), above).