



ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL

TOPIC: Section 11 – Institution Accounting 4.2	EFFECTIVE DATE: 10/23/1985
TITLE: Reimbursement of Canteen Operations Expense	REVISION DATE: 01/30/2015
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

BACKGROUND

The Legislative Audit Bureau has recommended that salary and fringe benefit expense for staff directly employed in canteen operations be charged to the canteen fund. In addition, generally accepted accounting principles (GAAP) for proprietary funds require the matching of expense to the production of income.

POLICY

The direct costs incurred in support of canteen operations at the Department of Health Services (DHS) institutions should be charged to the canteen fund consistent with this policy. The larger DHS canteens produce sufficient income to meet all direct salary and fringe benefit expense incurred in canteen operations. For small canteen operations, the institution, along with the division, should specify the percentage of direct salary and fringe benefit expense to be reimbursed by the canteen.

PROCEDURES

1. Appropriation 225 is to be used for DHS institutions under Wis. Stat. § 20.435 (2) (g). As Appropriation 225 is not solely used for canteen operations, a specific project must be established for canteen operations.
2. Salary and fringe benefit paid to staff in authorized positions or partial positions shall be charged directly to Appropriation 225 and the specific canteen project.
3. Monthly funding shall be obtained from the canteen fund equal to the amounts expensed in the previous month.
4. The amounts expensed for the previous month shall be the expenditures recorded monthly on the Appropriation Control Report.
5. No invoice or accounts receivable will be prepared or recorded for these amounts.
6. Payments received from the canteen fund shall be deposited as revenue in Appropriation 975 and then transferred to Appropriation 225/Account 484150.
7. All funds received from the canteen fund shall be recorded in the year that the expenditure has been recorded. If funds are due from the canteen fund to cover current year costs, the receivable should be reported to the lead accountant immediately. If it is not possible to cover the deficit with this canteen receivable, the institutions' general operating appropriation will be used to cover any year-end cash deficit. These transfers, if necessary, must be made prior to year-end cutoffs.

REFERENCES

[Wis. Stat. § 20.435 \(2\) \(g\)](#)

CONTACTS

[BFS Lead Accountant](#)

[GAAP Accountant](#)