



**ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL**

TOPIC: Section 9 – Accounting System Processing 10.0 (Formerly FMS)	EFFECTIVE DATE: 12/23/2015
TITLE: Use of Clearing Appropriations	REVISION DATE: 01/20/2016
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

**BACKGROUND**

Clearing appropriations can be established and used but must comply with the Department of Administration (DOA) WAM (Wisconsin Accounting Manual ) policy in Section 3- “Non Budget Appropriations”. The procedures below are:

1. To identify the appropriate use of DHS clearing appropriations.
2. To ensure that transactions recorded in the clearing appropriations are cleared timely and accurately.
3. To provide the appropriation monitor with the information needed to follow up in an efficient manner on any transactions that needs to be cleared or transferred

**POLICY**

Clearing appropriations are established in the series 900-999. Specific BFS assigned monitoring accountants or the Expenditure Accounting Section are responsible for monitoring and reconciling the clearing appropriations.

**When you use a clearing appropriation:**

Section 20.904(1) of the Statutes authorize the use of clearing accounts and are to be used only when the state agency does not have sufficient information to distribute the revenue or expenditure to the appropriate Chapter 20 appropriation. See the DOA WAM Section 3 Non Budget Appropriations for the Appropriation type and #s. They must be “cleared at least monthly unless exceptions provided by DOA. Timelines for clearing may be date specific (for example, by June 30) or may describe an event (for example, upon DOA approval).

- Transactions recorded in clearing appropriations must be cleared in a timely manner usually monthly according to the DOA WAM policy.
- Each BFS accountant should develop and maintain procedures for clearing appropriations based on the use and nature of transactions. The BFS Expenditure Accounting Section should be contacted for further guidance.

**PROCEDURES**

**Appropriation 901: Non-Cash Transactions**

Appropriation 901 is used to record donated items such as surplus food, equipment, and supplies.

**Appropriation 902: Reserve for Sales Taxes**

Appropriation 902 is used to record the money received for sales taxes forwarded to the Department of Revenue.

**Appropriation 903: Assistance Overpayment – Due from Collection**

Appropriation 903 is used:

- To record outstanding advances and contract close out payables that relate to community aids contracts in CARS.
- To record expenditures subject to 6-month controls.
- To record asset and liability like transactions. CARS related processing, receivables, and pooled loan program are examples.

Because balances in appropriation 903 are carried forward between fiscal years no operations expenses may be charged to appropriation 903.

**Appropriation 934: Transfer between Years**

Appropriation 934 is used to record transfer of revenues and expenditures between years. Through the use of appropriation 934 and a combination of designated balance sheet accounts 5001 and 3501, balances are created within each fiscal year, which are reconciled to balances in the following fiscal year. Transactions between years should net to zero.

Detailed instructions for use are provided in Year-end Reconciliation Bulletins.

1. Appropriation 934 should only be used for expenditure and revenue transactions that are completed in one fiscal year, but appropriately should be included in the next fiscal year.
2. Accountants needing a transaction moved into (and then out of) appropriation 934 should prepare Journal Vouchers for both years and give them to the Expenditure Accounting Section.
3. **Never** move a Federal or matching expenditure between years using appropriation 934 without moving its complement as well. Moving only one component causes a separation of costs that need to be associated for federal reporting.

**Appropriation 940: Federal Indirect Cost**

Appropriation 940 is a non-budget” indirect cost offset” appropriation used to prevent double-counting of revenue and expenses of federal indirect costs within federal appropriations. Actual federal indirect earned is recorded in Appropriation 840. See DOA WAM, Section 7, policy # 8, Indirect Cost Reimbursements and [APP Section 14 Federal Funds 4.0 Indirect Cost Reimbursements](#) for further discussion and example of transactions for recording federal indirect costs.

**Appropriation 963: Sale of Surplus Property**

Appropriation 963 is a non-budget clearing appropriation where net proceeds from the sale of surplus items that will not be replaced are deposited. Receipts from the sale of surplus property which must be returned to the federal government or other external funding sources should not be recorded in appropriation 963. At the end of the fiscal year, the State Controller’s Office will automatically transfer revenues deposited to this appropriation to the Budget Stabilization Fund.

**Appropriation 965: Payroll ACH Replacement Checks**

Appropriation 965 is used as a clearing account for employee payroll ACH replacement checks. This is a balance sheet only appropriation.

**Appropriation 973: Division of Health Lockbox Receipts Clearing**

Appropriation 973 is used as a clearing account for revenue for activities that include Environmental Sanitation, Radiation, and other DPH fees.

**Appropriation 974: Crime Victim Surcharge – Clearing**

Appropriation 974 is used to record payment we receive from correctional clients under Wisconsin statute 973.045(4) Crime victim and Witness Assistance Surcharge. The department is authorized and shall collect as appropriate all unpaid assessments from inmate's wages or monies while that inmate is in the custody of the Department. All receipts are sent to the Department of Justice at the end of each state fiscal year.

**Appropriation 975: Rev/Exp Clearing**

Appropriation 975 is used:

- To process revenues into the general fund as quickly as possible for improved cash management
- To process expenditures for prompt payment. Normally appropriation 975 may be charged when a complex allocation process prevents the payment of an invoice within 30-day prompt pay deadline or deposits.

In addition, 975 can be used to allow cost allocations to process while budget fixes are being processed and approved.

**Note:** All payments are to be cleared within 60 days of the date the invoice was keyed into the fiscal system. See APP 5.2 Section 9 for additional procedures.

**Use of appropriation 975 for year-end reconciliation**

At the end for the fiscal year, remaining spending authority is normally low. It is possible for some transactions to reject that would clear if another transaction could process to completion. When other Journal Vouchers are accepted into the STAR system, the original transaction may be allowed to process. The procedures for these types of transactions should be followed in the year end reconciliation bulletins and the DOA WAM Policies.

**Appropriation 977: Federal Reimbursement – WIC Food**

Appropriation 977 is used to record transactions for the WIC program.

**Appropriation 992: Retirement Reinstatement**

Appropriation 992 is used for employees who reinstate after taking a separation benefit. The amounts returned by the employee offset amounts paid to ETF. These relate only to settlement reinstatements. This has not been used for several years.

**Appropriation 993: Unredeemed Bad Checks**

Appropriation 993 is utilized by the State Treasurer's office to charge DHS for bad checks, stop payment checks that were erroneously included on our deposits, and other bank adjustments concerning deposits.

**Appropriation 998: Clearing- Bonds**

Appropriation 998 is the clearing account for employee's savings bond deduction. This appropriation has not had any activity in several years.

**Appropriation 999: Insurance Loss**

The State Self-Funded Property program protects the Department's property from loss arising from direct physical loss other than those causes specifically excluded. Monies

obtained from successful claims against the All Risk Coverage are deposited in Appropriation 999. When DOA approves the budget, the claimant may use the funds for approved expenditures related to the original loss.

**REFERENCES**

[Wisconsin Accounting Manual \(WAM\)](#)

**CONTACTS:**

[Clearing Appropriations and Appropriations 900-999 Coordinating Accountant](#)

[Expenditure Accounting Section Chief](#)

[BFS Lead Accountants](#)