



# V Accounting for Loan Principal Disbursements and Receipts

Chapter V describes the accounting procedures for:

- Loan principal disbursements to other governmental or non-governmental entities
- Receipts from other governmental or non-governmental entities for:
  - Interest Payments
  - Loan Repayments

## BACKGROUND

Loan principal disbursements are usually long-term (more than one year). For financial reporting purposes, loan principal disbursements are also recorded as reserved long-term assets until repaid.

Subsequent receipts for loan repayments and interest payments may be monthly, quarterly, or annually according to a loan repayment schedule and interest rates determined by a program office. These amounts are usually invoiced. Amounts due within one year (current assets) are accrued at year-end.

Additional procedures for managing loan principal disbursements and receipts can be found in CALSTARS Procedures Manuals, (CPM):

- Volume III, Chapter II      Accounting for Interfund Transfers
- Volume III, Chapter III     Accounting for Bonds
- Volume III, Chapter IV     Accounting for Interfund Loans
- Volume I, Chapter XI        Preparing Claim Schedules
- Volume I, Chapter XVI      General Cash and Remittances

## ACCOUNTS USED

Loan principal disbursements and receipts procedures include unique General Ledger (GL) accounts:

GL 2110 is used for disbursements (Loans Receivable from non-governmental entities)

GL 2140 is used for disbursements (Loans Receivable to Other Governments)

GL 8000 is used for receipts (Interest - revenue)

GL 9830 is used for receipts (Loan Repayments)

GL 9844 is used for Loan Principal Disbursements

Loan principal disbursements and receipts procedures also include CALSTARS tables, reconciliations and reporting, and accounting events with transaction codes and T-accounts described in the following sections of this chapter:

- ✦ CALSTARS Tables for Loan Disbursements and Receipts
- ✦ Monthly Reconciliations, Reports, and Year End Reporting
- ✦ Loan Procedures and Activities

### GL Accounts Typical to Loan Principal Disbursements

The following GLs are used to record the loan principal disbursement and the establishment of the long-term loan.

#### GL 21nn – Loans Receivable or Loans to Other Governments

The amount of long-term assets reserved for loans to non-governmental entities (GL 2110) and loans to other governmental entities (GL 2140). Refer to SAM Section 7622 for information on GL 2110-Loans Receivable and GL 2140-Loans to Other Governments.

#### GL 5380 – Reserve for Non-current Loans Receivable

The amount of the reserve for GL 2110-Loans Receivable and GL 2140-Loans to Other Governmental Entities

#### GL 9844 – Loan Principal Disbursement

The amount of loan principal disbursements to non-governmental or other governmental entities.

**Note:** GL 9000-Appropriation Expenditures is not used to record loan principal disbursements. However, TC 568 may be recorded as a year-end adjusting entry for Report 7-Pre-Closing Trial Balance to adjust negative expenditures for encumbrances that were established in previous years and subsequently liquidated when scheduling loan disbursements.

The chart below displays the typical accounting events for Loan Principal Disbursements.

Loan Principal Disbursements and Establishment of Long-term Loans			
GL Account		Description	Subsidiary
Debit	Credit		
9844	1140	<b>Loan Principal Disbursements:</b> Loan Principal Disbursement Cash in State Treasury	
2110		<b>Establish Long-Term Loan &amp; Reserve:</b> Loans Receivable-Student Loans	2112xxxx
2110		Loans Receivable-Construction	2113xxxx
2110		Loans Receivable-Other Non-Governmental Entities	2119xxxx
2140		Loans to Other Governments-School Districts	2143xxxx
2140	5380	Loans to Other Governments-Loans to Other Governmental Entities Reserve for Non-current Loans Receivable	2149xxxx

### GL Accounts Typical to Interest Receipts

The following GLs are used to record the current amount of interest due on the loan principal. Refer to SAM 8290.3, Interest on Loans for additional information.

#### GL 1314 – Accounts Receivable-Operating Revenue

The amount of interest due within a year on the loan principal for non-governmental cost funds.

#### GL 1313 – Accounts Receivable-Revenue

The amount of interest due within a year on the loan principal for governmental cost funds.

#### GL 1500 – Due From Other Governments

The amount of interest due within a year on the loan principal for loans recorded in GL 2140-Loans to Other Governments.

#### GL 8000 – Revenue/Operating Revenue

The amount of interest earned within one year.

The chart below displays the typical accounting events for interest receipts due.

Interest Receipts-(Revenue)			
GL Account		Description	Source Code
Debit	Credit		
1313 1500	8000	<b>Interest Due for Governmental Cost Funds (Revenue):</b> Interest from Non-Governmental Entities Interest from Other Governmental Entities Revenue	150400 131200
1314 1500	8000	<b>Interest Due for Non-Governmental Cost Funds (Operating Revenue):</b> Interest from Non-Governmental Entities Interest from Other Governmental Entities Revenue	214600 214500

**GL Accounts Typical to Loan Repayments Receipts**

The following GLs are used to record the current amount of the loan repayment of the principal. A portion of the long-term loan recorded with GL 2110-Loans Receivable or GL 2140-Loans to Other Governments is also liquidated.

**GL 1330 - Accounts Receivable-Loans**

The billings of current loan principal due for loans recorded in GL 2110-Loans Receivable for Non-Governmental Entities.

**GL 1500 – Due From Other Governments**

The billings of the current loan principal due for loans recorded in GL 2140-Loans to Other Governments.

**GL 21nn – Loans Receivable or Loans to Other Governments**

The amount of long-term asset reserved for loans to non-governmental entities (GL 2110) and loans to other governmental entities (GL 2140).

**GL 5380 – Reserve for Non-current Loans Receivable**

The amount of the reserve for GL 2110-Loans Receivable and GL 2140-Loans to Other Governmental Entities.

**GL 9830 – Other Financing Sources**

The amount of loan repayment (return of principal) due within one year (usually invoiced) and may be accrued at year-end. Refer to SAM 7680 for information on GL 9830-Other Sources.

**NOTE:** GL 8000-Revenue/Operating Revenue is not used to record Loan Repayment receipts.

The chart below displays the typical accounting events for Loan Repayment receipts.

Loan Repayment Receipts & Reduction of Long-term Loan			
GL Account		Description	Coding
Debit	Credit		
1330		<b>Establish Current Loan Repayment:</b>	<b>Source Code:</b>
1500		Accounts Receivable-Loans	530000
	9830	Due from Other Governmental Entities	530000
		Other Financing Sources	
5380		<b>Reduce Long-term Loan &amp; Reserve:</b>	<b>Subsidiary:</b>
		Reserve for Non-current Loans	
		Receivable	
	2110	Loans Receivable-Student Loans	2112xxxx
	2110	Loans Receivable-Construction	2113xxxx
	2110	Loans Receivable-Other Non-Governmental Entities	2119xxxx
	2140	Loans to Other Governments-School Districts	2143xxxx
	2140	Loans to Other Governments-Loans to Other Governmental Entities	2149xxxx

**Other GL Accounts used with Loan Principal Disbursements****GL 3010 – Accounts Payable**

The amount accrued for Loan Principal Disbursements payable to non-governmental entities at year-end.

**GL 3020 – Claims Filed**

The amount of an outstanding claim schedule document (not paid by SCO).

**GL 3290 – Due To Other Governments**

The amount accrued for Loan Principal Disbursements payable to other governmental entities at year-end.

**GL 6150 – Encumbrances**

The amount of an encumbrance (commitment) document.

**GL 9811 – Operating Transfers–In**

The amount transferred in to fund a Loan Principal Disbursement account.

**GL 9812 – Operating Transfers–Out**

The amount transferred out of a proceeds account to fund a Loan Principal Disbursement account.

**CALSTARS TABLES FOR LOAN DISBURSEMENTS AND RECEIPTS**

Refer to Volume 2, Chapter IV, Table Coding Maintenance Procedures for establishing CALSTARS Appropriation Symbol (AS) Tables for loan disbursement and receipt activities.

Refer to Volume 3, Chapter II, Accounting for Interfund Transfers for establishing CALSTARS AS Tables for activities involving transfers-in and transfers-out.

The table below identifies coding considerations when establishing AS Tables for loan activities.

<b>CALSTARS AS Table Considerations</b>					
<b>Purpose</b>	<b>Typical GLs Involved</b>	<b>SCO Account Type</b>	<b>CALSTARS Account Type</b>	<b>SCO Reference</b>	<b>CALSTARS Reference</b>
Loan Principal Disbursements	GL 6150 GL 9844	D	Usually 00	Per SCO Tab Run	Matches to SCO Reference
Loan Receipts: Interest Payments	GL 8000	R	RR	None	980
Loan Receipts: Loan Repayments	GL 9830	R	RR	None	980
Interfund Transfers-In	GL 9811	R	RR	None	980
Interfund Transfers-Out	GL 9812	T	Usually 00	Per SCO Tab Run	Matches to SCO Reference

## **MONTHLY RECONCILIATIONS, REPORTS AND YEAR-END REPORTING**

### **Monthly Reconciliations:**

Monthly account reconciliations between the SCO and CALSTARS are performed using the SCO's Agency Reconciliation Report ("Tab Run") and CALSTARS DB2 and H02 or DB1 and HB4 Reports.

Monthly reconciliations of cash accounts (e.g. GL 1140 and GL 1210) on non-shared funds are also performed using the SCO's Fund Reconciliation Report and CALSTARS G01 or G02 Reports.

Refer to SAM Sections 7901, 7910 and 7921 for the monthly reconciliation requirements.

Reviews of document file reports and long-term asset accounts for loan activities should also be performed monthly, quarterly, or annually for validity.

**CALSTARS Reports**

Exhibit V-1 displays the CALSTARS reports that contain loan principal disbursement and receipt activities. These reports can be used for reconciling appropriations to the SCO, reviewing detailed documents, management reporting, and preparing year-end accrual entries.

**Year-end Reporting**

Refer to the Volume 7, Chapter II, section *Loan Principal Disbursements* for reporting accruals and adjustments to the SCO at year-end.



EXHIBIT V-1 (Continued)  
CALSTARS REPORTS AND GENERAL LEDGER ACCOUNTS FOR LOAN ACTIVITIES

Report Name	Report Field Names or Report Information	Associated General Ledgers
<b>General Ledger File Reports:</b>		
G01, Trial Balance of GL Accounts Report (used for reconciliations of cash accounts on non-shared funds – GL 1140 and GL 1210)	Cash in State Treasury SMIF Investments	1140 1210
G01/S01, Trial Balance of GL Accounts and Subsidiaries on File Reports (used for reconciliation of long-term loans)	Loans Receivable Loans to Other Governments	2110 2140
G02 (Report 7), Pre-Closing Trial Balance (year-end cash transfer accrual for shared funds)	Disbursements less receipts	9812, 9844 less 8000, 9811, 9830
G02 (Report 8), Post-Closing Trial Balance (year-end cash transfer accrual for non-shared funds)	Fund balance	5530
G02 (Report 7), Pre-Closing Trial Balance (TC 568, year-end adjusting entry to adjust negative expenditures for encumbrances established in previous years and subsequently liquidated when scheduling loan disbursements)	Appropriation Expenditures Loan Principal Disbursements	9000 9844
<b>History File Reports:</b>		
H00, Transaction Registers (monthly)	Register 7- Revenue/Receipts Register 6 - Disbursements	8000, 9830 9844
HB4, HG1, H02, H08, etc.	Receipts	1313, 1314, 1330, 1500, 8000, 9830
HB4, HG1, H02, H09, H1A, H10, etc.	Disbursements	6150, 9844
<b>Operating File Reports:</b>		
Q24, Q25, Q26, Q27	Receipts	8000, 9830
Q10, Q12, Q16	Disbursements	6150, 9844

### Loan Principal Disbursement and Receipt Activities

The following charts display the transaction codes (TCs) used most often for loan principal disbursement and receipt activities. Refer to the Volume 7, Chapter II, section *Loan Principal Disbursements* for reporting additional accruals and adjustments to the SCO at year-end.

Transaction Codes for Loan Activities Loan Principal Disbursements			
Description	TC	GL Debit	GL Credit
Schedule loan disbursement and establish long-term loan	L51/L52	Input GL 2110/2140 9844	5380 3021
Schedule loan disbursement, liquidate encumbrance and establish long-term loan	L53/L54	Input GL 2110/2140 9844 6155	5380 3021 6150
Loan disbursement claim correction	L56	5380 1140	Input GL 2110/2140 9844
SCO disbursement of loan and establish long-term loan	L58	Input GL 2110/2140 9844	5380 1140
SCO Disbursement of Loan, liquidate encumbrance and establish long-term loan	L59	Input GL 2110/2140 9844 6155	5380 1140 6150
Establish long-term loan previously expensed	L40	Input GL 2110/2140	5380
Year-end accrual to establish loan principal disbursement and due to other governmental entities	L05	9844	3290
Year-end adjusting entry for Report 7	568	9000	9844

<b>Transaction Codes for Loan Activities Loan Interest Receipts</b>			
<b>Description</b>	<b>TC</b>	<b>GL Debit</b>	<b>GL Credit</b>
Interest collected (not accrued)	101	1110	8000
Interest accrued for governmental cost funds	120	1313	8000
Interest accrued for non-governmental cost funds	121	1314	8000
Interest accrued for other governmental entities	128	1500	8000
Interest collected for governmental cost funds, accrual liquidated	142	1110	1313
Interest collected for non-governmental cost funds, accrual liquidated	143	1110	1314
Interest collected for other governmental entities, accrual liquidated	158	1110	1500
SCO collection for governmental cost funds accrual liquidated	148	1140	1313
SCO collection for non-governmental cost funds, accrual liquidated	144	1140	1314
SCO collection for other governmental entities, accrual liquidated	160	1140	1500

<b>Transaction Codes for Loan Activities Loan Repayment Receipts</b>			
<b>Description</b>	<b>TC</b>	<b>GL Debit</b>	<b>GL Credit</b>
Loan repayment collected (not accrued)	111	1110	9830
Loan repayment collected (not accrued), long-term loan reduced	L21	5380 1110	Input GL 2110/2140 9830
SCO collection for loan repayment collected (not accrued), long-term loan reduced	L23	5380 1140	Input GL 2110/2140 9830
Reduce long-term loan for other governmental entities	L43	5380	2140
Reduce long-term loan	L31	5380	Input GL 2110/2140
Loan repayment accrued for non-governmental entities	L44	1330	9830
Loan repayment accrued for non-governmental entities, long-term loan reduced	L41	5380 1330	2110 9830
Loan repayment accrued for other governmental entities	L42	1500	9830
Loan repayment collected for non-governmental entities, accrual liquidated	L22	1110	1330
Loan repayment collected for other governmental entities, accrual liquidated	L27	1110	1500
SCO collection for non-governmental entities, accrual liquidated	L24	1140	1330
SCO collection for other governmental entities, accrual liquidated	L28	1140	1500
Accrue refund on loan repayment principal	L48	9830	3010

**ACCOUNTING EVENTS**

Exhibit V-2 displays the accounting events and transactions for loans to other governmental entities and non-governmental entities. Loan principal disbursements activities are shown in entries #1 – 5 and 16. Loan repayments and interest payment activities are shown in entries # 6 – 15. Exhibit V-3 displays the corresponding accounting events in the T-account format.

EXHIBIT V-2  
ACCOUNTING EVENTS

ACCOUNTING EVENT	TRANSACTION DETAILS
<b>Record a formal commitment for a loan principal disbursement:</b>	
1	<p>TC 211 - Record an Original Encumbrance</p> <p>Dr. 6150 Encumbrances Cr. 6155 Encumbrances-Offset</p>
	<p>When a loan commitment is made, the agency can treat it as if it were an encumbrance.</p> <p>Loan principal disbursements can be appropriated and the SCO will set up an appropriation budget. TC 010 (not shown) (Dr. GL 6120; Cr. GL 6110) is used to post the budget.</p>
<b>Record a loan principal disbursement through claim schedule – not encumbered:</b>	
2	<p>Automated:</p> <p><u>(A) TC L51</u> – Loan Disbursed, Auto Scheduled, Not Encumbered</p> <p>Dr. 21nn Loans Receivable/Loans to Other Govts Cr. 5380 Reserve for Loans Receivable Dr. 9844 Loan Principal Disbursement Cr. 3021 Claims In Process</p> <p><b>OR</b></p> <p>Manual:</p> <p><u>(B) TC L52</u> – Loan Disbursed, Manual Scheduled, Not Enc.</p> <p>Dr. 21nn Loans Receivable/Loans to Other Govts Cr. 5380 Reserve for Loans Receivable Dr. 9844 Loan Principal Disbursement Cr. 3021 Claims In Process</p>
	<p>TC L51 and TC L52 require input of GL 2110 or GL 2140. Subsidiary is also required (e.g. 2119 Loans Receivable – Other or 2149 Loans to Other Governments). Use Object Detail code <b>731</b>. TC 360 (not shown) (Dr. GL 3021; Cr. GL 3020) is generated for the outstanding Claims Filed.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>Record a loan principal disbursement through claim schedule – previously encumbered:</b>	
3	<p>Automated:</p> <p><u>(A) TC L53</u> – Loan Disbursed, Auto Scheduled, Not Encumbered            Dr. 21nn Loans Receivable/Loans to Other Govts            Cr. 5380 Reserve for Loans Receivable            Dr. 9844 Loan Principal Disbursement            Cr. 3021 Claims In Process            Dr. 6155 Encumbrances-Offset            Cr. 6150 Encumbrances</p> <p><b>OR</b></p> <p>Manual:</p> <p><u>(B) TC L54</u> – Loan Disbursed, Manual Scheduled, Not Enc.            Dr. 21nn Loans Receivable/Loans to Other Govts            Cr. 5380 Reserve for Loans Receivable            Dr. 9844 Loan Principal Disbursement            Cr. 3021 Claims In Process            Dr. 6155 Encumbrances-Offset            Cr. 6150 Encumbrances</p>	<p>TC L53 and TC L54 require input of GL 2110 or GL 2140. Subsidiary is also required (e.g. 2119 Loans Receivable – Other or 2149 Loans to Other Governments). Use Object Detail code <b>731</b>. TC 360 (not shown) (Dr. GL 3021; Cr. GL 3020) is generated for the outstanding Claims Filed.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>Record a loan principal disbursement made by the SCO to other governmental entities:</b>	
4	<p>Not encumbered:</p> <p><u>(A) TC L58 - SCO Disbursement of Loan 2110/2140-Not Encumb</u>            Dr. 21nn Loans Receivable/Loans to Other Govts            Cr. 5380 Reserve for Non-current Loans Receivable            Dr. 9844 Loan Principal Disbursement            Cr. 1140 Cash in State Treasury</p> <p><b>OR</b></p> <p>Previously encumbered:</p> <p><u>(B) TC L59 - SCO Disbursement of Loan 2110/2140-Prev Encumb</u>            Dr. 21nn Loans Receivable/Loans to Other Govts            Cr. 5380 Reserve for Non-Current Loans Receivable            Dr. 9844 Loan Principal Disbursement            Cr. 1140 Cash in State Treasury            Dr. 6155 Encumbrances-Offset            Cr. 5150 Encumbrances</p> <p><b>Record SCO claim schedule correction for a loan principal disbursement:</b></p>	<p>Refer to entry #3 for general ledger, subsidiary, and object detail requirements.</p> <p>Refer to entry #3 for general ledger, subsidiary, and object detail requirements.</p>
5	<p>TC L56 - Claim Correct Loan Disbursements 2110/2140            Dr. 5380 Reserve for Non-current Loans Receivable            Cr. 21nn Loans Receivable/Loans to Other Govts            Dr. 1140 Cash in State Treasury            Cr. 9844 Loan Principal Disbursement</p>	<p>Refer to entry #3 for general ledger, subsidiary, and object detail requirements. TC 361 (not shown) (Dr. GL 3020; Cr. GL 1140) is generated for the claim cut.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>Record accrual for current loan repayment (due within one year):</b>	
6	<p>If invoice is to a non-governmental entity:</p> <p><u>(A) TC L41 - Bill Current Amount of Loan Principal 2110</u>            Dr. 1330 Accounts Receivable - Loans            Cr. 9830 Other Sources            Dr. 5380 Reserve for Non-current Loans Receivable            Cr. 2110 Loans Receivable</p> <p><b>OR</b></p> <p>If invoice is to a governmental agency:</p> <p><u>(B) TC L42 Bill Current Amount of Loan Principal 2140</u>            Dr. 1500 Due From Other Governments            Cr. 9830 Other Sources</p> <p><b>AND</b></p> <p><u>(C) TC L43 - Adjust 2140 When Billing Current Loan Principal</u>            Dr. 5380 Reserve for Non-current Loans Receivable            Cr. 2140 Loans to Other Governments</p>	<p>Subsidiary is required (e.g. 2112xxxx Student Loans; 2119xxxx Loans Receivable – Other). Use Source code <b>530000</b>.</p> <p>Use Source code <b>530000</b>.</p> <p>Subsidiary is required (e.g. 2143xxxx Loans to School Districts or 2149xxxx Loans to Other Governments).</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>Record receipt for loan repayment (liquidate accrual):</b>	
7	<p>Agency receives payment from a non-governmental entity:</p> <p><u>(A) TC L22 - Agency Collect A/R Loans (2110 Billed)</u>            Dr. 1110 General Cash            Cr. 1330 Accounts Receivable – Loans</p> <p><b>OR</b></p> <p>Agency receives payment from other governments:</p> <p><u>(B) TC L27 - Agency Collect Due from Other Govts (2140 Billed)</u>            Dr. 1110 General Cash            Cr. 1500 Due From Other Governments</p> <p><b>OR</b></p> <p>SCO receives payment from a non-governmental entity:</p> <p><u>(C) TC L24 - SCO Collect A/R Loans (2110 Billed)</u>            Dr. 1140 Cash in State Treasury            Cr. 1330 Accounts Receivable - Loans</p> <p><b>OR</b></p> <p>SCO receives payment from other governments:</p> <p><u>(D) TC L28 - SCO Collect Due from Other Govts (2140 Billed)</u>            Dr. 1140 Cash in State Treasury            Cr. 1500 Due From Other Governments</p>	<p>Refer to entry #6, TC L41 for coding requirements.</p> <p>Refer to entry #6, TC L42 for coding requirements.</p> <p>Refer to entry #6, TC L41 for coding requirements.</p> <p>Refer to entry #6, TC L42 for coding requirements.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>Record receipt for loan repayment (not previously accrued or invoiced):</b>	
8	<p>Agency receives payment:</p> <p>(A) TC L21 - Agency Collect Loans Prin (2110/2140 Not Billed)            Dr. 1110 General Cash            Cr. 9830 Other Sources            Dr. 5380 Reserve for Non-current Loans Receivable            Cr. 21nn Loans Receivable/Loans to Other Govts</p> <p><b>OR</b></p> <p>SCO receives payment:</p> <p>(B) TC L23 - SCO Collect Loan Principal (2110/2140 Not Billed)            Dr. 1140 Cash in State Treasury            Cr. 9830 Other Sources            Dr. 5380 Reserve for Non-current Loans Receivable            Cr. 21nn Loans Receivable/Loans to Other Govts</p> <p><b>Record accrual for interest (due within one year):</b></p>	<p>GL 2110 or 2140 requires a Subsidiary code. Use Source code <b>530000</b>.</p> <p>GL 2110 or 2140 requires a Subsidiary code. Use Source code <b>530000</b>.</p>
9	<p>If invoice is to a non-governmental entity:</p> <p>(A) TC 121 - Record Billing for A/R Operating Revenue            Dr. 1314 Accounts Receivable-Operating Revenue            Cr. 8000 Revenue</p> <p><b>OR</b></p> <p>If invoice is to a governmental agency:</p> <p>(B) TC 128 - Record Amount Due from Other Govts as Revenue            Dr. 1500 Due from Other Governments            Cr. 8000 Revenue</p>	<p>Use Source code <b>214600</b> for non-governmental cost funds.</p> <p>Use Source code <b>131200</b> for governmental cost funds.            Use Source code <b>214500</b> for non-governmental cost funds.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

ACCOUNTING EVENT

TRANSACTION DETAILS

	ACCOUNTING EVENT	TRANSACTION DETAILS
10	<b>Record receipt for interest (liquidate accrual):</b>	
	<p>Agency receives payment from non-governmental entity:</p> <p><u>(A) TC 143 - Record Cash Receipts for Operating Rev Prev Billed</u>            Dr. 1110 General Cash            Cr. 1314 Accounts Receivable - Operating Revenue</p> <p><b>OR</b></p> <p>Agency receives payment from other governments:</p> <p><u>(B) TC 158 - Receipt of Amount Due from Gov'ts - Revenue</u>            Dr. 1110 General Cash            Cr. 1500 Due From Other Governments</p> <p><b>OR</b></p> <p>SCO receives payment from a non-governmental entity:</p> <p><u>(C) TC 144 - Record SCO Collect A/R Operating Revenue</u>            Dr. 1140 Cash in State Treasury            Cr. 1314 Accounts Receivable - Operating Revenue</p> <p><b>OR</b></p> <p>SCO receives payment from other governments:</p> <p><u>(D) TC 160 - SCO Collect Due from Other Governments-Revenue</u>            Dr. 1140 Cash in State Treasury            Cr. 1500 Due From Other Governments</p>	<p>Use Source code <b>214600</b> for non-governmental cost funds.</p> <p>Use Source code <b>131200</b> for governmental cost funds.            Use Source code <b>214600</b> for non-governmental cost funds.</p> <p>Use Source code <b>214600</b> for non-governmental cost funds.</p> <p>Use Source code <b>131200</b> for governmental cost funds.            Use Source code <b>214500</b> for non-governmental cost funds.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
11	<p><b>Record accrual for interest as contingent receivable:</b></p> <p>TC L45 - Accrue Interest as Contingent Receivable</p>	<p>This would be recorded only when there are provisions in the formal loan commitment or when interest has been forgiven on loans, primarily to non-governmental entities (GL 2110). Otherwise, record Entry #9, above.</p>
	<p>Dr. 1380 Contingent Receivables Cr. 1600 Provision for Deferred Receivables</p>	<p>Use Source code <b>131200</b> or <b>150400</b> as appropriate for governmental cost funds. Use Source code <b>214500</b> or <b>214600</b> as appropriate for non-governmental cost funds.</p>
	<p><b>Record receipt for interest (previously established as contingent receivable)</b></p>	
12	<p>Agency receives payment:</p> <p>(A) TC L25 - Agency Collect Accrued Int - Classed as Cont Recv Dr. 1110 General Cash Cr. 8000 Revenue Dr. 1600 Provision for Deferred Receivable Cr. 1380 Contingent Receivables</p> <p><b>OR</b></p> <p>SCO receives payment:</p> <p>(B) TC L26 - SCO Collect Accrued Int - Classed as Cont Recv Dr. 1140 Cash in State Treasury Cr. 8000 Revenue</p> <p>Dr. 1600 Provision for Deferred Receivables Cr. 1380 Contingent Receivables</p>	<p>Use Source code <b>131200</b> or <b>150400</b> as appropriate for governmental cost funds. Use Source code <b>214500</b> or <b>214600</b> as appropriate for non-governmental cost funds. <b>Note:</b> SCO will credit the prior year revenue account.</p> <p>Use Source code <b>131200</b> or <b>150400</b> as appropriate for governmental cost funds. Use Source code <b>214500</b> or <b>214600</b> as appropriate for non-governmental cost funds. <b>Note:</b> SCO will credit the prior year revenue account.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>To record the write-off of the accrual for a loan repayment:</b>	
13	<p>(A) TC L31 - Write Off Loan Principal (2110/2140)            Dr. 5380 Reserve for Non-current Loans Receivable            Cr. 21nn Loans Receivable/Loans to Other Govts</p> <p><b>AND</b></p> <p>Write off loan principal from a non-governmental entity:  <u>(B) TC L32- Write off Loan Principal (Billed 2110)</u>            Dr. 9830 Other Sources            Cr. 1330 Accounts Receivable – Loans</p> <p><b>OR</b></p> <p>Write off loan principal from other governments:  <u>(C) L33 Write off Loan Principal (Billed 2140)</u>            Dr. 9830 Other Sources            Cr. 1500 Due from Other Governments</p> <p><b>Write off accrued interest:</b></p>	<p>GL 2110 or 2140 requires a <u>Subsidiary code</u>. Entry #13A is for the long-term portion of the loan. Entry #13B or #13C is for the current portion of the loan repayment accrual.</p>
14	<p>TC L35 - Write Off Accrued Interest on Loan (Cont Receivable)            Dr. 1600 Provision for Deferred Receivable            Cr. 1380 Contingent Receivable</p>	<p>Use Source code <b>131200</b> or <b>150400</b> as appropriate for governmental cost funds.            Use Source code <b>214500</b> or <b>214600</b> as appropriate for non-governmental cost funds.            This transaction is entered <b>ONLY</b> if Entry #11 was recorded. Otherwise, record entry #15A or #15B.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>Record "debt retirement schedule" adjusted for "altered interest rate":</b>	
15	<p>If the interest due was decreased and previously invoiced from a non-governmental entity:</p> <p><u>(A) TC 461 - Record Adjustment Decreasing A/R Operating Rev</u>            Dr. 8000 Revenue            Cr. 1314 Accounts Receivable-Operating Revenue</p> <p><b>OR</b></p> <p>If the interest due was decreased and previously invoiced from other governments:</p> <p><u>(B) TC 457 - Record Adj Decreasing Due from Other Govts-Rev</u>            Dr. 8000 Revenue            Cr. 1500 Due from Other Governments</p> <p><b>OR</b></p> <p>If the interest due was decreased and previously accrued as a contingent receivable:</p> <p><u>(C) TC L35 - Write off Accrued Interest on Loan (Cont Receivable)</u>            Dr. 1600 Provision for Deferred Receivable            Cr. 1380 Contingent Receivable</p> <p><b>OR</b></p> <p><b>(Events for No. 15 continued on page 25)</b></p>	<p>Use Source code <b>214600</b> for non-governmental cost funds.</p> <p>Use Source code <b>131200</b> for governmental cost funds.            Use Source code <b>214500</b> for non-governmental cost funds.</p> <p>Use Source code <b>131200</b> or <b>150400</b> as appropriate for governmental cost funds.            Use Source code <b>214500</b> or <b>214600</b> as appropriate for non-governmental cost funds.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

ACCOUNTING EVENT

TRANSACTION DETAILS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<p><b>Record "debt retirement schedule" adjusted for "altered interest rate" (Continued):</b></p>	
<p>15</p>	<p>If the interest due was increased and previously invoiced from a non-governmental entity:</p> <p><u>(D) TC 125 - Record Adjust Increasing A/R Operating Revenue</u>            Dr. 1314 Accounts Receivable-Operating Revenue            Cr. 8000 Revenue</p> <p><b>OR</b></p> <p>If the interest due was increased and previously invoiced from other governments:</p> <p><u>(E) TC 454 - Record Adj Increase Due to Other Govts-Revenue</u>            Dr. 1500 Due from Other Governments            Cr. 8000 Revenue</p> <p><b>OR</b></p> <p>If the interest due was increased and previously accrued as a contingent receivable:</p> <p><u>(F) TC L46 - Adjust Increase Accrued Interest on Loan Cont Recv</u>            Dr. 1380 Contingent Receivable            Cr. 1600 Provision for Deferred Receivables</p>	<p>Use Source code <b>214600</b> for non-governmental cost funds.</p> <p>Use Source code <b>131200</b> for governmental cost funds.            Use Source code <b>214500</b> for non-governmental cost funds.</p> <p>Use Source code <b>131200</b> or <b>150400</b> as appropriate for governmental cost funds.            Use Source code <b>214500</b> or <b>214600</b> as appropriate for non-governmental cost funds.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	ACCOUNTING EVENT	TRANSACTION DETAILS
	<b>Record return of a loan principal disbursement:</b>	
16	<p>The loan principal disbursement can be returned when it is determined that the loan was not needed by the receiving agency. The loan principal disbursement can also be returned if the loan was inadvertently issued in excess of the formal loan commitment.</p> <p>Agency receives payment:</p> <p><u>(A) TC L29 - Agency Collect Return of Loan Principal</u>            Dr. 5380 Reserve for Non-current loans receivable            Cr. 21nn Loans receivable/Loans to Other Govts            Dr. 1110 General Cash            Cr. 9844 Loan Principal Disbursement</p> <p><b>OR</b></p> <p>SCO receives payment:</p> <p><u>(B) TC L30 - SCO Collect Return of Loan Payment</u>            Dr. 5380 Reserve for Non-current loans receivable            Cr. 21nn Loans receivable/Loans to Other Govts            Dr. 1140 Cash in State Treasury            Cr. 9844 Loan Principal Disbursement</p>	<p>Use Source code <b>580200</b> and Object Detail code <b>731</b>. The TC used is based on whether the agency or the SCO receives the cash.</p>

EXHIBIT V-2 (Continued)  
ACCOUNTING EVENTS

	<u>Event</u>	<u>TC</u>
1	Record an Original Encumbrance	211
2	(A) or Loan Disbursed, Auto Scheduled, Not Encumbered	L51
	(B) Loan Disbursed, Man Scheduled, Not Encumbered	L52
3	(A) or Loan Disbursed, Auto Scheduled, Prev Encumbered	L53
	(B) Loan Disbursed, Man Scheduled, Prev Encumbered	L54
4	(A) or SCO Disbursed Loan, Not Encumbered	L58
	(B) SCO Disbursed Loan, Previously Encumbered	L59
5	Claim Correction to Loan Disbursement	L56
6	(A) or Invoice Current Principal Amount Due (2110)	L41
	(B) and Invoice Current Principal Amount Due (2140)	L42
	(C) Adjust GL 2140 when Principal Amount Invoiced	L43
7	(A) or Agency Receives Principal Amount Invoiced	L22
	(B) or Agency Rec Principal Amount Invoiced from Other Governments	L27
	(C) or SCO Receives Principal Amount Invoiced	L24
	(D) SCO Rec Principal Amount Invoiced from Other Governments	L28
8	(A) or Agency Receives Principal Amount Not Invoiced	L21
	(B) SCO receives Principal Amount Not Invoiced	L23
9	(A) or Agency Invoices Interest Due	121
	(B) Agency Invoices Interest Due from Other Governments	128
10	(A) or Agency Receives Interest Amt Invoiced	143
	(B) or Agency Rec Interest Amount Invoiced from Other Governments	158
	(C) or SCO Receives Interest Amount Invoiced	144
	(D) SCO Rec Interest Amount Invoiced from Other Governments	160
11	Agency Accrues Interest as Contingent Receivable	L45
12	(A) or Agency Receives Interest Prev Est as Cont Receivable	L25
	(B) SCO Receives Interest Prev Est as Cont Receivable	L26
13	(A) and Write Off Loan Principal (amount not invoiced)	L31
	(B) or Write Off Loan Principal (amount invoiced)	L32
	(C) Write Off Loan Principal If Other Governments (amount invoiced)	L33
14	Write Off Accrued Interest	L35
15	(A) or Record Adjustment Decreasing A/R--Op Revenue	461
	(B) or Record Adjustment Due from Other Governments, Revenue	457
	(C) or Write Off Accrued Interest on Cont Receivable	L35
	(D) or Record Adjustment Increasing A/R--Op Revenue	125
	(E) or Record Adjustment Increasing Due from Other Governments, Revenue	454
	(F) Record Increase Accrued Interest on Cont Receivable	L46
16	(A) or Agency Collect Return of Loan Principal	L29
	(B) SCO collect return of Loan Principal	L30

EXHIBIT V-3  
T-ACCOUNTS FOR LOAN ACCOUNTING

1110 General Cash		1140 Cash in State Treasury		1314 A/R-Operating Revenue		1330 Accounts Receivable Loans		1380 Contingent Receivables	
7A		5	4A	9A	10A	6A	7A	11	12A
7B		7C	4B	15D	10C		7C	15F	12B
8A		7D			15A		13B		14
10A		8B							15C
10B		10C							
12A		10D							
16A		12B							
		16B							
1500 Due From Other Governments		1600 Provision for Deferred Receivables		21nn (2110 Loans Receivable or 2140 Loans to Other Govts		3021 Claims in Process		5380 Reserve for Non-current Loans Receivable	
6B	7B	12A	11	2A	5		2A	5	2A
9B	7D	12B	15F	2B	6A		2B	6A	2B
15E	10B	14		3A	6C		3A	6C	2B
	10D	15C		3B	8A		3B	8A	3A
	13C			4A	8B			8B	3B
	15B			4B	13A			13A	4A
					16A			16A	4B
					16B			16B	
6150 Encumbrances		6155 Encumbrances - Offset		8000 Revenue		9830 Other Sources		9844 Loan Principal Disbursements	
1	3A	3A	1	15A	9A	13B	6A	2A	5
	3B	3B		15B	9B	13C	6B	2B	16A
	4B	4B			12A		8A	3A	16B
					12B		8B	3B	
					15D			4A	
					15E			4B	