

STATE OF NEW YORK
UNIFIED COURT SYSTEM
OFFICE OF COURT ADMINISTRATION
DIVISION OF FINANCIAL MANAGEMENT
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TO: All Holders of the Financial Planning and Control Manual

NEW ACCOUNTING PROCEDURES

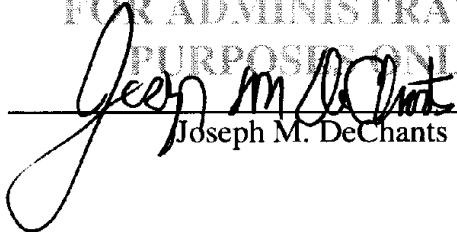
BULLETIN NUMBER: 285	November 16, 2001
SUBJECT: Revenue Contract / Repayment Agreement Procedures	

Attached is a copy of OSC Accounting Bulletin A-492, dated November 13, 2001. This bulletin establishes standard procedures applicable to the processing of, and accounting for, State revenue contracts and repayment agreements.

Revenue contracts are agreements between the State and private concerns which establish the provisions whereby proceeds (including any non-cash benefits) generated by public assets are returned to the State. Repayment Agreements are contracts between the State and a third party which establish the provisions whereby advances are repaid to the State.

UCS courts and agencies are reminded that like all other procurement contracts or similar agreements, revenue contracts are subject to statutory bidding requirements and all applicable provisions of the UCS Contracts and Procurement Procedures manual.

Please ensure distribution of this bulletin to all personnel within your respective jurisdictions who may be responsible for the processing of, or the monitoring of internal control procedures relating to, contracts and other UCS procurement activities.

NYS UNIFIED COURT SYSTEM
FOR ADMINISTRATIVE
PURPOSES ONLY


Joseph M. DeChants



ACCOUNTING BULLETIN

Subject: Revenue Contracts / Repayment Agreements	Bulletin No: A-492	Date: 11/13/2001
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Purpose

To remind all State departments and agencies of the procedures to account for **Revenue Contract receipts** and **Repayment Agreements** entered into by State agencies and approved by the Comptroller's Office.

Background

Revenue Contracts are agreements between the State and private individuals and/or businesses. In many cases, only revenues are derived from agreements between a State agency and a contractor (e.g., license concession agreement, etc). However, there are also instances where a State contract for goods or services contains revenue sharing provisions. For example, the State contracts with a business to print and market New York tourism materials (expenditure contract) and this same contract contains a revenue contract provision which provides that the State will receive a commission from advertising that the contractor sells in these tourism publications.

Repayment Agreements are agreements between the State and a municipality, public authority, or other third party. Generally, the terms of these agreements are detailed in the appropriation language for these State advances. Pursuant to Section 40-a of the State Finance Law, "no part of any appropriation made as an advance shall be available for expenditure until a written repayment agreement is entered into... and all appropriated advances must be repaid to the State.

Authority

The State Finance Law provides in relevant part:

§8. The Comptroller shall superintend the fiscal concerns of the state and keep, audit and state all accounts in which the state is interested, and keep accurate and proper books, showing their conditions at all times. The Comptroller must also audit the accrual and collection of all revenues and receipts; and operate and maintain a state accounting and financial reporting system, which accurately and systematically accounts for all revenues, receipts, resources and property of the state and each of its agencies.

§40-a. "No part of any appropriation made as an advance pursuant to this section shall be made available for expenditure until a written repayment agreement is entered into by the agency, authority, fund or corporation to which the appropriation is made and the director of the budget." No segregations of appropriations may be made until the repayment agreement is entered into and approved by the Comptroller's Office.



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Authority (cont'd) §112 (2) (a). The Comptroller must approve any contract made for or by any state agency, department, board, officer, commission, or institution, whenever the amount of such contract exceeds \$15,000.

§121 (1) . Revenues received by State agencies must be transmitted to the State Treasury no less than semi-monthly.

Revenue Contracts

A Contract Encumbrance Request (AC340) must be prepared and submitted to the Comptroller's Office, together with the contract or repayment agreement, for review and approval. Instructions for preparing the AC340 can be found in the New York State User Procedure Manual, Volume III – Encumbrances and Expenditures, Section 3.03.

?? The contract amount on the AC340 should be entered as a plus (+) amount since negative contract amounts will not be accepted by the CAS.

Contract Types

Revenue Contracts and Repayment Agreements are entered and stored in the central accounting system (CAS) using the following prefixes and suffixes:

?? Revenue Contracts begin with an X'prefix.

?? Revenue Contracts established prior to April 1982 begin with an R'prefix.

?? Repayment Agreements begin with an F'prefix.

?? Real property or retail space owned by the State begin with an L'prefix and end with an R'suffix (e.g. L00200R).

Contract Receipts

Receipts related to Revenue Contracts and Repayment Agreements must be processed in the CAS using the following source documents:

?? AC2405 – Report of Monies Received with Tail

?? AC22 – Journal Transfer/Revenue Transfer

Copies of the above documents are attached and may be reproduced for your use.

Contract Refunds

All **refunds** of contract payments made to vendors must be processed in the CAS using a AC1286 - Refund of Appropriation Expense document.

Contract Refunds

OSC will use the refund to credit the appropriation from which such payments were made. The refund must contain the exact **cost center, object, contract agency**



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and contract number processed on the original payment voucher. For more information about Refunds of Appropriation Expense, please refer to New York State Accounting System User Procedure Manual, Volume IV – Revenue, Section 5. Also see Bulletin A-457, accessible from OSC's Internet home page <http://www.osc.state.ny.us>.

- ?? It is important to note that refunds of appropriation transactions do not restore contract encumbrances. They will create payment history records and reduce expenditures in the contract if the contract originating agency and contract number are processed with the document.

CAS Processing Edits

Revenue Contract documents must contain the originating contract agency and the contract number of the active contract record stored in the CAS.

Contract receipts, revenue transfers and refunds of appropriation transactions will:

- ?? not restore contract encumbrances
- ?? cause the LTD and YTD Expenditures in the Revenue Contract to be reported with a credit (negative).

Hybrid Contracts

- ?? Contracts that account for both Revenue and Expenditure data must be assigned **two** separate contract numbers in the CAS: one for revenues and one for expenditures.
- ?? Expenditures and encumbrances should not be processed against Revenue Contracts or Repayment Agreements. Doing so would distort the expenditure and disbursement history of the contract master record.
- ?? When creating separate revenue and disbursement contracts agencies should indicate the corresponding revenue or disbursement contract number in the contract description field.

Batch Types

- ?? See Bulletin G-194 for Revenue Contract and Repayment Agreement batch types.
- ?? **RCR** - Revenue Contract Receipts (AC2405).
- ?? **REF** - Refund of Appropriation Expense (AC1286) entered by OSC.

Batch Types (cont'd)

- ?? **RFD** - Refund of Appropriation Expense (AC1286) entered and suspended by agencies at remote terminals.



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suspended by agencies at remote terminals.

?? **JRT** - Revenue Transfers (AC22) entered by OSC.

?? **JTR** - Revenue Transfers (AC22) entered and suspended by agencies at remote terminals.

CAS Reports & Manuals

Agencies are required to reconcile their agency bank accounts no less than monthly. (See Controls and Special Procedures Manual– Volume XI, Section 4.0120, Agency Bank Accounts – Reconciliation.)

In addition to ensuring that bank account reconciliations are completed, agencies must also determine that checks sent to the State Treasury are properly credited to a State fund or account and that the revenue transaction is completely and accurately credited to the Revenue Contract or Repayment Agreement record contained in the CAS.

The following tools can be used to track and reconcile Revenue Contract or Repayment Agreement transactions and master file records:

- ?? The Revenue Journal (JRN010), Refund of Appropriation Journal (JRN040), and Expenditure Adjustment Journal (JRN070) are produced daily and provide batch and transaction activity.
- ?? Cash Receipts by Originating Agency (REV170) is produced weekly.
- ?? Revenue Contract master records (CON013) can be obtained on-line using CAS reports Menu 031. Background on the use of this menu is published in Bulletin A-398, which is available on OSC's Internet home page.
- ?? CAS User Procedure Manual, Volume IV-Revenue Manual all sections.

Additional Information

- ?? Direct contract questions on this bulletin to the Contract Audit Unit at (518) 474-6494 or (518) 474-3488.
- ?? Direct revenue processing questions on this bulletin to John Brownell, Revenue Processing, at (518) 486-1222.

☐ Check if continuation form is attached

☐ Check if continuation form is attached



State of New York
REPORT OF MONEYS RECEIVED WITH TAIL


Originating Agency	Batch Number	Batch Type	Number of Documents	Net Amount	Gross Amount
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Originating Agency	Date	Document Number 0
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Fund Name	Fund Code	Amount
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Fund Name	Fund Code	Amount
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Fund Name	Fund Code	Amount
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Total Money Reported 						Bank Code	Amount			
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Dept.	Cost Center	Var	Year	Object	Accumulator		Amount	Orig. Agency	PO/Contract	Line	F/P
					Dept.	Statewide					

	Liability Date			From Date	TC	Subledger			Optional		
	(MM)	(DD)	(YY)								

Dept.	Cost Center	Var	Year	Object	Accumulator		Amount	Orig. Agency	PO/Contract	Line	F/P
					Dept.	100					

	Liability Date			From Date	TC	Subledger			Optional		
	(MM)	(DD)	(YY)								

Dept.	Cost Center	Var	Year	Object	Accumulator		Amount	Orig. Agency	PO/Contract	Line	F/P
					Dept.	Statewide					

	Liability Date			From Date	TC	Subledger			Optional		
	(MM)	(DD)	(YY)								

Dept.	Cost Center	Var	Year	Object	Accumulator		Amount	Orig. Agency	PO/Contract	Line	F/P
					Dept.	Statewide					

	Liability Date			From Date	TC	Subledger			Optional		
	(MM)	(DD)	(YY)								

Dept.	Cost Center	Var	Year	Object	Accumulator		Amount	Orig. Agency	PO/Contract	Line	F/P
					Dept.	Statewide					

	Liability Date			From Date	TC	Subledger			Optional		

Decription:

I CERTIFY THAT THE FOREGOING IS A TRUE STATEMENT OF ALL MONIES RECEIVED BY THE AFORESAID AGENCY FOR DEPOSIT IN THE DESIGNATED FUND OF THE STATE TREASURY DURING THE PERIOD COVERED BY THIS REPORT.

Signature and Date	Title
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