

Reclamation Manual

Directives and Standards

Entries for Construction Repayment Contracts

1. The following is a list of possible general ledger (GL) accounts affected by repayment of construction contracts with un-matured receivables.

GL	Description
1010.ADV00	Customer Collections Advance
1010.CZ000	Other Collections-Expense/Revenue Journal Vouchers (JV)
1010.DZ000	Other Disbursements-Expense/Revenue JVs
1010.RCC00	SF215/DD5515-Offsetting Receipts
1010.TCC00	SF215/DD5515-Collections of Revenues
1310.A0000	Accounts Receivable Revenue Off Budget Actual
1310.Fxxxx	Accounts Receivable Un-matured Receivables
2320.ARC00	Deferred Credits Customer
2320.C0000	Deferred Credits Journal Vouchers
2990.B0000	Deferred Revenues from Un-matured Accounts Receivables
5610.IK000	Donations-In-Kind Services
5900.IK000	Other Revenue-In-Kind Services
5900.Y0000	Other Revenues-Water and Power
6100.xxxxx	Operating Expenses
6100.312Z0	Non-capitalized-Transfers

2. The required accounting entries to record the construction repayment by category are as follows:

A. Repayment Contracts.

- (1) **Establish Un-matured Receivable.** The regional finance office establishes an un-matured receivable for the repayment contract amount. The pertinent data elements are:
- (a) Transaction type - FB70.
 - (b) Document type - DR.
 - (c) Work Breakdown Structure (WBS) - RX.
 - (d) Debit - GL 1310.F0000, *Accounts Receivable Un-matured Receivables*.
 - (e) Credit - GL 2990.B0000, *Deferred Revenues from Un-matured Accounts Receivables*.

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- (f) Customer - repayment contract customer.
 - (g) Fee Schedule - No. To prevent invoking FMFEE schedules, do not add the fee schedule when creating the receivable. After entering a customer invoice in transaction FB70, the pop-up box asks the user to assign a fee schedule, the answer is 'No'. **Any subsequent activity against this customer with a GL 1310.F0000 posting will need a 'No' for fee schedule.**
- (2) **Drawdown of the Un-matured Receivable.** The regional finance office creates the bill (Form DI-1040, *Bill for Collection*) to the repayment contract customer. The regional finance office submits the drawdown request to the Accounting Services Division, Revenue and Reimbursable Support Team (RRST) for the bill amount after verifying availability of customer account balance. RRST notifies the regional finance office of drawdown requests submitted without availability of customer funds. RRST reduces the un-matured receivable equal to the drawdown request. The regional finance office establishes a current year receivable/billing document tied to revenue equal to the drawdown request. The below transactions must occur in the same month to properly reflect the accounts receivable balance in the financial statements.
- (a) **Reduce Un-matured Receivable.** (RRST)
 - (i) Transaction type - F-30.
 - (ii) Document type - DR.
 - (iii) WBS - RX.
 - (iv) Debit - GL 2990.B0000, *Deferred Revenues from Un-matured Accounts Receivables*.
 - (v) Credit - GL 1310.F0000, *Accounts Receivable Un-matured Receivables*.
 - (vi) Customer - repayment contract customer.
 - (b) **Establish a Receivable Tied to Revenue for Each of the Repayment Contract Customers.** (Regional Finance Office)
 - (i) Transaction type - FB70.
 - (ii) Document type - DR.
 - (iii) WBS - RX.

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- (iv) Debit - GL 1310.A0000, *Accounts Receivable Revenue Off Budget Actual*.
- (v) Credit - GL 5900.Y0000, *Other Revenues-Water and Power*.
- (vi) Commitment item - manually populate with commitment item provided by the region if other than Y00000.
- (vii) Customer - repayment contract customer.

B. Incidental Revenues. The steps below must occur in the same month (preferably in the same day) to avoid a Statement of Difference with the Department of the Treasury (Treasury).

- (1) **Create Credit Memo.** For the Bureau of Reclamation fund side, RRST creates a credit memo in the same funds where they posted the initial revenue.
 - (a) Transaction type - FB75.
 - (b) Document type - DG.
 - (c) WBS - RX.
 - (d) Debit - GL 5900.Y0000, *Other Revenues-Water and Power*.
 - (e) Credit - GL 1310.A0000, *Accounts Receivable Revenue Off Budget Actual*.
 - (f) Commitment item - manually populate with commitment item provided by the region if other than Y00000.
 - (g) Customer - region established customer number.
- (2) **Clear Credit Memo to Cash.** RRST clears the credit memo to cash.
 - (a) Transaction type - F-31.
 - (b) Document type – DZ.
 - (c) WBS – RX.
 - (d) Debit - GL 1310.A0000, *Accounts Receivable Revenue Off Budget Actual*.
 - (e) Credit - GL 1010.RCC00, *SF215/DD5515-Offsetting Receipts*, for funds with a 5 in the fifth position or GL 1010.TCC00, *SF215/DD5515-Collections of Revenues*, for all other funds.

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- (f) Customer - same customer number used to create credit memo in Paragraph 2.B.(1)(g) above.
 - (g) Reference text field – populate with the information provided by the region. RRST must use the same data in Paragraph 2.B.(5)(g) below.
 - (h) Document date – populate with the information provided by the region. RRST must use the same data in Paragraph 2.B.(5)(h) below.
- (3) **Reduce Un-matured Receivable.** For the funds where the un-matured receivables reside, RRST reduces the un-matured receivable by each repayment contract customer master record for the applicable portion of the revenue. The total of the various entries tied to the various repayment contract customers must equal the total of the received revenue recorded in Paragraph 2.B.(1) above.
- (a) Transaction type - F-30.
 - (b) Document type - DR.
 - (c) WBS – RX.
 - (d) Debit - GL 2990.B0000, *Deferred Revenues from Un-matured Accounts Receivables*.
 - (e) Credit - GL 1310.F0000, *Accounts Receivable Un-matured Receivables*.
 - (f) Customer - repayment contract customer.
- (4) **Establish Receivable Tied to Revenue.** RRST establishes an accounts receivable for the amount recorded as a credit in GL 1310.F0000 in Paragraph 2.B.(3) above.
- (a) Transaction type - FB70.
 - (b) Document type - DR.
 - (c) WBS - RX.
 - (d) Debit - GL 1310.A0000, *Accounts Receivable Revenue Off Budget Actual*.
 - (e) Credit - GL 5900.Y0000, *Other Revenues-Water and Power*.
 - (f) Commitment item - manually populate with commitment item provided by the region if other than Y00000.

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- (g) Customer - repayment contract customer.
- (5) **Clear Accounts Receivable to Cash.** (RRST)
 - (a) Transaction type - F-28.
 - (b) Document type - DZ.
 - (c) WBS - RX.
 - (d) Debit - GL 1010.RCC00, *SF215/DD5515-Offsetting Receipts*, for funds with a 5 in the fifth position or GL 1010.TCC00, *SF215/DD5515-Collections of Revenues*, for all other funds.
 - (e) Credit - GL 1310.A0000, *Accounts Receivable Revenue Off Budget Actual*.
 - (f) Customer - repayment contract customer.
 - (g) Reference text – populate with the information provided by the regions. RRST must use the same data used to create the credit memo in Paragraph 2.B.(2)(g) above.
 - (h) Document date – populate with the information provided by the region. RRST must use the same data used to create the credit memo in Paragraph 2.B.(2)(h) above.

C. **Buyback.**

- (1) **Reduce Un-matured Receivable.** RRST reduces the un-matured receivable by the value of the purchased water.
 - (a) Transaction type - F-30.
 - (b) Document type - DR.
 - (c) WBS - RX.
 - (d) Debit - GL 2990.B0000, *Deferred Revenues from Un-matured Accounts Receivables*.
 - (e) Credit - GL 1310.F0000, *Accounts Receivable Un-matured Receivables*.
 - (f) Customer - repayment contract customer.

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- (2) **Recognize Expense and Revenue.** The regional finance office processes a VB document to reflect the expense related to the buy back and revenue related to the credit against the repayment obligation. Use of the VB document precludes the tracking of the buyback on the customer master record and the vendor master record.

(a) **Expense.**

- (i) Transaction type - JV.
- (ii) Document type - VB.
- (iii) WBS - RX.
- (iv) Debit - GL 6100.xxxxx, *Operating Expenses*.
- (v) Credit - GL 1010.DZ000, *Other Disbursements-Expense/Revenue JVs*.
- (vi) Commitment item - regions can determine what budget object class commitment item to use here as long as it derives budgetary postings. This entry cannot be in a fund that does not allow expense postings; for example, the Reclamation funds XXXR50006*.

(b) **Revenue.**

- (i) Transaction type - JV.
- (ii) Document type - VB.
- (iii) WBS - RX.
- (iv) Debit – GL 1010.CZ000, *Other Collections-Expense/Revenue JVs*.
- (v) Credit - GL 5900.Y0000, *Other Revenues–Water and Power*.
- (vi) Commitment item - manually populate with commitment item provided by the region if other than Y00000.

D. Early Payoff.

(1) **Balance Due in Future Years.** (RRST)

(a) **Reduce Un-matured Receivable.**

- (i) Transaction type - F-30.

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- (ii) Document type - DR.
 - (iii) WBS - RX.
 - (iv) Debit - GL 2990.B0000, *Deferred Revenues from Un-matured Accounts Receivables*.
 - (v) Credit - GL 1310.F0000, *Accounts Receivable Un-matured Receivables*.
 - (vi) Customer - repayment contract customer.
- (b) **Recognize Cash/Establish Deferred Liability.**
- (i) Transaction type - FB75.
 - (ii) Document type – DR.
 - (iii) WBS - RX.
 - (iv) Debit - GL 1010.ADV00, *Customer Collections Advance*.
 - (v) Credit - GL 2320.ARC00, *Deferred Credits Customer*. (Note: The use of this GL is restricted based on the fund. Do not use this GL with the Reclamation fund or Treasury miscellaneous receipt fund, record the deferred liability for these funds in a deposit fund.)
- (c) **Drawdown of Deferred Liability.** RRST draws down the deferred revenue on the due date of the amortization of the contract. RRST completes the following steps in the same day to ensure we do not create a statement of difference.
- (i) **Reduce Deferred Liability.**
 - (aa) Transaction type - F-31.
 - (bb) Document type - DZ.
 - (cc) WBS - RX.
 - (dd) Debit - GL 2320.ARC00, *Deferred Credits Customer*. (Note: The use of this GL is restricted based on the fund. Do not use this GL with the Reclamation fund or Treasury miscellaneous receipt fund, record the deferred liability in a deposit fund.)
 - (ee) Credit - GL 1010.ADV00, *Customer Collections Advance*.

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- (ff) Reference text field - populate with the information provided by the region. Data must be the same as the revenue recognition side in Paragraph 2.D.(1)(c)(iii)(gg) below.
- (gg) Document date - populate with the information provided by the region. Data must be the same as the revenue recognition side in Paragraph 2.D.(1)(c)(iii)(hh) below.
- (ii) **Recognize Revenue/Establish Accounts Receivable.** If Reclamation records the deferred liability in a deposit fund, the revenue recording cannot be in the same fund.
 - (aa) Transaction type - FB70.
 - (bb) Document type - DR.
 - (cc) WBS - RX.
 - (dd) Debit - GL 1310.A0000, *Accounts Receivable Revenue Off-budget Actual.*
 - (ee) Credit - GL 5900.Y0000, *Other Revenues–Water and Power.*
 - (ff) Commitment item - manually populate with commitment item provided by the region if other than Y00000.
 - (gg) Customer - repayment contract customer.
- (iii) **Reduce Accounts Receivable (Clear to Cash).**
 - (aa) Transaction type - F-28.
 - (bb) Document type - DZ.
 - (cc) WBS - RX.
 - (dd) Debit - GL 1010.RCC00, *SF215/DD5515-Offsetting Receipts*, for funds with a 5 in the fifth position or GL 1010.TCC00, *SF215/DD5515-Collections of Revenues*, for all other funds.
 - (ee) Credit - GL 1310.A0000, *Accounts Receivable Off-budget Actual.*
 - (ff) Customer - repayment contract customer.

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(gg) Reference text field - populate with information provided by the region. Data must be the same as the revenue recognition side in Paragraph 2.D.(1)(c)(i)(ff) above.

(hh) Document date – populate with information provided by the region. Data must be the same as the revenue recognition side in Paragraph 2.D.(1)(c)(i)(gg) above.

(2) Balance Due in Current Year. (RRST)

(a) Reduce Un-matured Receivable.

(i) Transaction type - F-30.

(ii) Document type - DR.

(iii) WBS - RX.

(iv) Debit - GL 2990.B0000, *Deferred Revenues from Un-matured Accounts Receivables.*

(v) Credit - GL 1310.F0000, *Accounts Receivable Un-matured Receivables.*

(vi) Customer - repayment contract customer.

(b) Establish Receivable Tied to Revenue.

(i) Transaction type - FB70.

(ii) Document type - DR.

(iii) WBS - RX.

(iv) Debit - GL 1310.A0000, *Accounts Receivable Off-budget Actual.*

(v) Credit - GL 5900.Y0000, *Other Revenues–Water and Power.*

(vi) Commitment item - manually populate with commitment item provided by the region if other than Y00000.

(vii) Customer - repayment contract customer.

(c) Record Collection.

(i) Transaction type - F-28.

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- (ii) Document type - DZ.
- (iii) WBS - RX.
- (iv) Debit - GL 1010.RCC00, *SF215/DD5515-Offsetting Receipts*, for funds with a 5 in the fifth position or GL 1010.TCC00, *SF215/DD5515-Collections of Revenues*, for all other funds.
- (v) Credit - GL 1310.A0000, *Accounts Receivable Off-budget Actual*.
- (vi) Customer - repayment contract customer.

E. Operations and Maintenance Performed by the Repayment Contract Customer.

(1) Record Unfunded Expense. (Regional Finance Office)

- (a) Transaction type - FB50 or FV50.
- (b) Document type - VB.
- (c) WBS - RX or Work Order Number if Federal Real Property Profile (FRPP) relevant.
- (d) Debit - GL 6100.312Z0, Non-capitalized-Transfers (RX WBS or Work Order Number if FRPP relevant).
- (e) Credit - GL 5900.IK000, Other Revenue–In-Kind Services (exchange) or GL 5610.IK000, Donations-In-Kind Services (donation). In kind services will always be a RX WBS.

(2) Reduce Un-matured Receivable. (RRST)

- (a) Transaction type - F-30.
- (b) Document type - DR.
- (c) WBS - RX.
- (d) Debit - GL 2990.B0000, Deferred Revenues from Un-matured Accounts Receivables.
- (e) Credit - GL 1310.F0000, Accounts Receivable Un-matured Receivables.
- (f) Customer - repayment contract customer.