



State of Arizona Accounting Manual

Topic 20 Current Assets
Section 12 **Proper Accounting for State Monies
Deposited into Escrow Accounts**

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INTRODUCTION

Agencies with the authority to do so at times deposit monies into escrow accounts in contemplation of acquiring land or other capital assets. These agencies often incorrectly record the deposits of monies into escrow accounts as the capital assets that monies are intended to acquire. This practice is incorrect. The purpose of this policy statement is to direct agencies to the appropriate reference materials to assist them in properly accounting for monies deposited in and disbursed from escrow accounts.

POLICY

1. Monies deposited into escrow accounts are not to be recorded in AFIS as the asset that such monies may ultimately acquire.
2. Proper accounting for monies deposited into and disbursed from escrow accounts is outlined in the Quick Reference Guide (QRG) titled *Proper Accounting for State Monies Deposited into Escrow Accounts* found on the GAO website at: <https://gao.az.gov/trainingevents/training-resources>.