



State of Arizona Accounting Manual

Topic 15 Accounting Transactions and Structures
Section 10 **Cost Accounting Structures**
Certain Uses and Reconciliations

Issued 05/12/16
Page 1 of 2

INTRODUCTION

There are a number of situations involving the receipt and expenditure of monies that require additional accounting procedures and controls. Among these are ISAs, IGAs, grants and donations. This section of SAAM establishes the minimum requirements for dealing with these types of arrangements.

POLICY & PROCEDURES

1. Except with the prior written approval of the State Comptroller, all grants, ISAs, IGAs and donations must, in an approved accounting system:
 - 1.1. Be established and accounted for in an appropriate accounting structure—such as the cost accounting structure in AFIS—that segregates the financial activities of the grant, ISA, IGA or donation from other financial activities.
 - 1.2. Have all their receipts and disbursements recorded using the appropriate fund and cost structure elements.
2. All grants, ISAs, IGAs and donations must be individually reconciled monthly.
3. All funds in which ISAs, IGAs, donations, and/or grants are recorded must be reconciled monthly.
4. The procedures governing the reconciliation of grants, ISAs, IGAs, donations and the funds in which they are recorded include:
 - 4.1. The reconciliation of a given month must be completed by or before the last business day of the month following the month being reconciled.
 - 4.2. All reconciliations are to be retained by the agency for the period prescribed for accounting records by the LAPR.
 - 4.3. Reconciliation for these purposes means to perform and document a procedure that results in a report that demonstrates:
 - 4.4. If dealing with a Federal grant, the amounts, from date of inception to date of report, of revenues and expenditures shown in the approved accounting system

State of Arizona Accounting Manual

Topic 15 Accounting Transactions and Structures

Issued 05/12/16

Section 10 **Cost Accounting Structures**

Page 2 of 2

Certain Uses and Reconciliations

should be equal to the revenues and expenditures contained in the report of activities filed with the Federal Government. Any discrepancies should be investigated and corrected on a timely basis (i.e., not later than the last business day of the month following the month in which the discrepancy was discovered).