



# State of Arizona Accounting Manual

Topic 00 General Information

Issued 10/05/20

Section 41 Other Governments vs. Other Agencies

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## INTRODUCTION

In order to correctly account for revenues and expenditures, it is important to understand the difference between other governments and other agencies.

Other agencies are governmental entities that are constituent parts of the Government of the State of Arizona. This would include agencies, departments, boards, commissions, courts, and other entities that are part of the executive, legislative and judicial branches of State Government.

Other governments are governmental entities that are not constituent part of the Government of the State of Arizona. This would include counties, cities, towns, school districts and other entities that are not part of the executive, legislative and judicial branches of State Government.

## POLICY

1. Expenditures or expenses made to other agencies are to be recorded using, as appropriate:
  - 1.1. If the expenditure or expense is properly characterized as aid to another agency, expenditure object 6843 should be used. Use of this object requires the approval of the GAO.
  - 1.2. If the expenditure is not properly characterized as aid to another agency, an expenditure object that properly characterizes the nature of the expenditure or expense should be used.
2. Expenditures or expenses made to other governments are to be recorded using, as appropriate:
  - 2.1. If the expenditure or expense is properly characterized as aid to another government, expenditure objects 6811 through 6842, depending upon the nature of the recipient, should be used.
  - 2.2. If the expenditure is not properly characterized as aid to another government, an expenditure object that properly characterizes the nature of the expenditure or expense should be used.

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3. Revenues received from other agencies are to be recorded using, as appropriate:
  - 3.1. The same revenue source as the initial agency used to record the revenue, which is the revenue source currently being reduced by the initial agency.
  - 3.2. If the revenue source is not appropriate for the receiving agency or if the agency does not have approval from the GAO for the initial revenue source, a revenue source that properly characterizes the nature of the revenue should be used.
4. Revenue received from other governments are to be recorded using, as appropriate:
  - 4.1. If the revenue is properly characterized as monies received from another state (non-Arizona) and local (of any state) governments (including reimbursements), revenue sources 4231 through 4236, depending upon the purpose of the monies, should be used.
  - 4.2. If the revenue is not properly characterized as monies received from another state (non-Arizona) and local (of any state) governments, a revenue source that properly characterizes the nature of the revenue should be used.