

Year-End June Interest Apportionment



As the State of Florida transitioned our Cash Management System into Florida PALM, the business process for recording interest apportionment has changed, and the biggest effect of this change is at year end.

Monthly interest apportionment is calculated around the middle of the following month, so June’s apportionment will be available to agencies around the middle to end of July. When it is posted in Florida PALM, it will be posted as of July 1st. For recording revenue correctly for financials, agencies will need process accrual entries to account for June’s apportionment as revenue—interest earned but not collected, as well as establish the liability for the administrative fees associated with the interest. However, it is not until July, or the new fiscal year, that the agency will collect the cash.

The chart below summarizes the accounting transactions that agencies can use for each business event: Revenue—Interest Earned and the Payable for Administrative fees. In order to record these as accrual entries the **Prior Period Indicator (PPI)** of **Y** must be input included on these transactions, as noted in the chart.

| Accounting Entries | | | | |
|--------------------|--------------------------|-------|-------|-----|
| Transaction Input | Description | DR | CR | PPI |
| TR10 | Interest Receivable | 5,000 | | Y |
| TR10 | Revenues—Interest Earned | | 5,000 | Y |
| TR10 | Expenditure/Expense | 500 | | Y |
| TR10 | Payable—Admin Fees | | 500 | Y |
| TR90 | Interest Receivable | 5,000 | | Y |
| Automated | Revenues—Interest Earned | | 5,000 | Y |
| TR80 | Expenditure/Expense | 500 | | Y |
| | Payable—Admin Fees | | 500 | Y |

The **TR10** is a general accounting transaction that is a direct input into the general ledger and can be used for recording the receivable for **revenue earned** but not collected, as well as the **administrative fee** for the month of June. There will be at least two **TR10s** (debit and credit) per business event, the interest earned and the administrative fee.

The **TR90** is a **receivable** transaction that can be used to record the **interest receivable** and will automate the **Revenue—Interest Earned**. This transaction requires the user to record the AR-GL, as well as the revenue GL on one transaction. Double check GL codes to make sure they are correct.

The **TR80** can be used to establish the **payable** (liability) for the Administrative Fees and record the **expenditure or expense**. This transaction requires the user to record the AP-GL, as well as the expenditure GL on one transaction. Double check GL codes to make sure they are correct.

Year End—June Interest Apportionment



Once the cash is collected, the following entries will need to be recorded to reverse the receivable and payable:

| Accounting Entries | | | | |
|--------------------|---------------------|-------|-------|-----|
| Transaction Input | Description | DR | CR | PPI |
| TR10 | Verified Cash | 5,000 | | - |
| TR10 | Revenue Received | | 5,000 | - |
| TR10 | Revenue | 5,000 | | - |
| TR10 | Interest Receivable | | 5,000 | |
| TR10 | Payable—Admin Fees | 500 | | - |
| TR10 | Expenditure/Expense | | 500 | - |
| TR10 | Expenditure/Expense | 500 | | - |
| TR10 | Cash in Bank | | 500 | - |
| TR96 | Verified Cash | 5,000 | | - |
| Automated | Interest Receivable | | 5,000 | - |
| TR58 | Expenditure/Expense | 500 | | - |
| Automated | Cash in Bank | | 500 | - |