

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	1

PURPOSE AND OBJECTIVES

Tax revenues are revenues your agency collects from non-State parties and deposits under STARS object codes:

- o 0101 through 0645.
  - 01xx, General Property Taxes.
  - 02xx, General Sales and Use Taxes.
  - 03xx, Selective Sales and Use Taxes.
  - 04xx, Income Taxes.
  - 05xx, Gross Receipts Business Taxes.
  - 06xx, Other Taxes.
- o 1602, Coin-Operated Devices License.
- o 4601, Fertilizer Inspection Tax.
- o 4701, Public Service Company Assessment Tax.
- o 7301, Conscience Revenue.

The following are not considered tax revenues for purposes of this closing package:

- o Taxes that another State agency transfers to your agency.
- o Sales taxes that your agency collects from the sale of goods but remits to the Department of Revenue.

The purpose of this closing package is to gather information needed to report tax revenues on the State's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). GAAP requires that the State report in its financial statements at June 30 certain:

- o Tax Receivables.
- o Allowances for Uncollectible Taxes.
- o Tax Refunds Payable.

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	2

See Sections 3.3 and 3.4 for information on reporting grant/contribution and other non-tax revenues. The instructions in this section do not apply to agencies that submit audited financial statements to the Comptroller General's Office.

AGENCY ACTION REQUIRED

- o If your agency collects tax revenues, complete the following forms:
  - Taxes Receivable Summary Form (GAAP Form 3.2.1).
  - Tax Refunds Payable Summary Form (GAAP Form 3.2.2).
  - Deferred Tax Revenues Summary Form (GAAP Form 3.2.3).
- o Return the completed forms to the Comptroller General's Office **no later than August 31**. If you can return them earlier, please do so.

KEY TERMS

Allowance for Uncollectible Taxes. GAAP requires that the State report an Allowance for Uncollectible Taxes if applicable. The financial statements show gross Taxes Receivable less the allowance amount. Your agency must estimate the amount of the allowance. To do this:

- o Gather historical data on revenue collectibility.
- o Evaluate the collectibility of Taxes Receivable at June 30. (Also see the definition of Taxes Receivable.)

Availability Period. When reported in the fund financial statements, Governmental funds recognize revenues as soon as they are both measurable and available. Revenues are considered to be available at June 30 if they are collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. The State considers revenues to be available at June 30 if they are collected, or are expected to be collected, any time before the next June 30.

Current Taxes Receivable. See the definition of Taxes Receivable below.

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	3

Deferred Revenue. Deferred Revenue is a liability account. GAAP requires that we record Deferred Revenue (rather than Revenue) if at June 30 we either:

- o Have collected material amounts before their normal time of receipt.
- o Have Taxes Receivable that are measurable but not yet available. (Also see the definitions of Modified Accrual Basis and Available.)

Liability. A liability is an obligation resulting from past transactions that will (or is likely to) result in future payments and/or reductions in future revenues.

Modified Accrual Basis. The modified accrual basis of accounting requires the State to report revenues in the fiscal year in which they are both measurable and available.

A revenue is measurable if your agency either:

- o Knows the exact amount (because the transaction is complete).
- o Has enough information to reasonably estimate the amount of revenue that it will receive.

According to GAAP, a revenue is available at June 30 if you either:

- o Collect it on or before June 30.
- o Expect to collect it soon enough after June 30 to pay liabilities that exist at June 30.

Our State policy is that revenues are available at June 30 if they are collected, or are expected to be collected, before June 30 of the next fiscal year.

The modified accrual basis also requires the State to report:

- o Taxes Receivable at June 30 for certain taxes that meet both of the following:
  - They are measurable at June 30.
  - At June 30, the State has not yet collected the related cash.

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	4

o Deferred Revenue for taxes that:

- We collect in advance of the fiscal year to which the taxes apply.
- Are measurable but not available at June 30.

(Also see the definitions of Availability Period, Cash Basis, Deferred Revenue, and Liability.)

Non-Current Taxes Receivable. See the definition of Taxes Receivable below.

Taxes Receivable. Taxes Receivable are taxes that parties outside State government owe the State at June 30 that meet both of the following:

- o They are measurable.
- o At June 30, the State has not yet collected the related cash.

We divide Taxes Receivable into two groups for reporting purposes:

- o *Current Taxes Receivable* relate to amounts owed to the State on tax revenue transactions through June 30 that the State expects to collect within one year.
- o *Non-Current Taxes Receivable* relate to amounts owed to the State on tax revenue transactions through June 30 that the State expects to collect beyond one year.

(Also see the definitions of Modified Accrual Basis, Availability Period, and Tax Revenues.)

Tax Refunds Payable. Tax Refunds Payable is a liability account. Report Tax Refunds Payable if at June 30 your agency has collected more taxes than taxpayers owe. Your agency will refund these amounts to the taxpayers after June 30. (Also see the definition of Liability.)

Tax Revenues. Tax revenues are revenues that your agency collects from non-State parties and deposits under certain STARS revenue object codes. Tax revenue object codes in STARS are: 0101 through 0645, 1602, 4601, 4701, and 7301. Some examples of tax revenues include:

- o Individual and corporate income taxes.

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	5

- o Sales and use taxes.
- o Business license taxes.
- o Gasoline and motor vehicle taxes.
- o Alcoholic liquors, beer, and wine taxes.
- o Insurance taxes.

Agencies that submit this closing package to the Comptroller General's Office should **not** report the following as tax revenues:

- o Taxes that another State agency transfers to your agency (these are interfund transactions).
- o Sales taxes that your agency collects from the sale of goods but remits to the Department of Revenue.

ACCOUNTING PRINCIPLES AND POLICIES

General

Generally Accepted Accounting Principles (GAAP) relating to tax revenues appear in:

- o Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* (GASB 33).
- o *Codification of Governmental Accounting and Financial Reporting Standards*, Section N50.
- o *Codification of Governmental Accounting and Financial Reporting Standards*, Section P70.

South Carolina's tax revenues are reported within its Governmental funds. GAAP require that these funds report revenues on the modified accrual basis of accounting in the fund financial statements.

GAAP categorizes tax revenues as nonexchange transactions. In a nonexchange transaction, a government either gives value (benefit) to another party without directly receiving equal value in exchange or receives value (benefit) from another party without directly giving

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	6

value in exchange. GASB Statement 33 groups tax revenues into two classes, based on their principal characteristics:

- o *Derived tax revenues* result from assessments by governments on exchange transactions.
- o *Imposed nonexchange revenues* result from assessments by governments on nongovernmental entities, including individuals, *other than* assessments on exchange transactions.

GAAP provide specific recognition criteria that define when to recognize assets, liabilities, revenues, and expenditures in the financial statements. Application of the provisions of this standard requires analysis of the substance of a nonexchange transaction, rather than attention only to its label (STARS revenue title).

Derived Tax Revenue Transactions

GAAP require that the State recognize *assets* from derived tax revenue transactions in the fiscal year when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. *Revenues* are to be recognized, net of estimated refunds and estimated uncollectible amounts, in the same fiscal year as the assets, provided that the underlying exchange transaction has occurred. Derived tax revenues received in advance are to be reported as deferred revenues (a liability) until the period of exchange.

Examples of derived tax revenue transactions include:

- o Individual and corporate income taxes.
- o Sales and use taxes.
- o Tobacco products tax.
- o Gasoline taxes.
- o Alcoholic liquors tax.
- o Beer and wine taxes.
- o Insurance taxes.
- o Various other taxes where the State imposes a tax on an exchange transaction.

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE	REFERENCE	3.2
	ISSUE DATE	6-30-2002
	PAGE	7

(Also see Exhibit 3.2 (A).) The following examples outline the State's reporting requirements for derived tax revenue transactions:

**Example 1, Individual Income Taxes:** The State imposes a 7 percent tax on personal income earned. Employers are required to withhold taxes from payroll and remit withholdings on a monthly basis. Individuals with significant non-salary income, such as investment income, are required to make estimated tax payments on a quarterly basis. In addition, individuals must file a tax return with the State by April 15 of the year following the calendar tax year and must pay the remaining tax owed or claim a refund.

**Example 2, Sales Taxes:** The State's retailers collect a 5 percent tax on the sale of merchandise. The retailers are required to remit these taxes to the State by the 20<sup>th</sup> of the following month. A requirement of GAAP is that the State is to recognize sales tax revenues in the fiscal year in which the sales occurred, provided the amounts are measurable and available at June 30.

Under GAAP, the State must recognize individual income tax revenues in the fiscal year in which the taxpayer earned the income, net of estimated refunds and estimated uncollectible amounts, provided the amounts are measurable and available at June 30.

- o *Taxes Receivable.* Report Taxes Receivable for taxpayer earnings through June 30 including:
  - Payroll taxes withheld by employers on earnings through June 30 that employers remit to the State after June 30.
  - Individual tax declarations (estimated tax payments) due June 15, but not received by the State until after June 30.
  - Estimated amounts underpaid by taxpayers on earnings of the first six months of the calendar year that will be settled in the subsequent State fiscal year (that is, by April 15 of the next calendar year). Your estimate should be based on historical data relating to amounts paid with final tax returns. Estimate the percentage of total collections that you receive with final returns. Then apply this percentage to the collections for the six-month period January through

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	8

June. Finally, adjust this estimated receivable for any significant known changes in the State's tax laws and/or withholding tables.

- Amounts taxpayers owe the State at June 30 as a result of delinquent filings, audits of returns, and other billings relating to either prior-year or current-year returns.

In its fund financial statements, the State will report the following for its Governmental funds:

- Current Taxes Receivable and Revenue for these amounts that are available at June 30.
- Non-Current Taxes Receivable and Deferred Revenue for these amounts that are not available at June 30.

(See Key Terms for the definitions of Availability Period, Current Taxes Receivable, Non-Current Taxes Receivable, and Deferred Revenue.)

- o *Allowance for Uncollectible Taxes.* Estimate and report an appropriate amount for an Allowance for Uncollectible Taxes. Make your estimate based on past experience.
- o *Tax Refunds Payable.* Estimate amounts overpaid by taxpayers on earnings of the first six months of the calendar year that will be settled in the subsequent State fiscal year (that is, by April 15 of the next calendar year.) Base your estimate on historical data relating to refunds. Estimate the percentage of withholdings that you refund. Then apply the percentage to the withholdings for the six-month period January through June. Tax Refunds Payable also should include any adjustments for changes in the State's tax laws or to the withholding tables.

Also, there may be tax refunds in process at June 30 that relate to previous years' returns. The State's policy is to report Tax Refunds Payable for these amounts as well.

Imposed Nonexchange Revenue Transactions

GAAP requires the State to recognize *assets* from imposed nonexchange revenue transactions in the fiscal year when an enforceable legal claim

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	9

to the assets arises or when the resources are received, whichever occurs first. For property (ad valorem) taxes, the date when an enforceable claim to taxable property arises generally is specified in the enabling legislation (usually referred to as the lien or assessment date). The State is required to recognize *revenues* for property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are assessed, provided they are *available* at June 30. (Exception: Property taxes are deemed available to the State if collected either within the current fiscal year or within 60 days after June 30.)

Examples of imposed nonexchange revenue transactions applicable to tax revenues include:

- o Aircraft tax.
- o Private car lines tax.
- o Motor carrier property tax.

(Also see Exhibit 3.2 (A).)

Deferred Revenue

Under GAAP, the State must report Deferred Revenue at June 30 for taxes collected in advance of the period they are recognized. Agencies will report these amounts on the Deferred Tax Revenues Summary Form (GAAP Form 3.2.3).

The State also must report Taxes Receivable and Deferred Revenue for receivables that are measurable but not yet available at June 30. Agencies will report these amounts on the Taxes Receivable Summary Form (GAAP Form 3.2.1).

WORKING PAPERS

All working papers may be subject to audit. The agency should keep copies of the completed summary forms. In addition, the agency should keep working papers to support each figure on those forms. For example, your agency should thoroughly document:

- o How you derived each amount.

**STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL**

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

<b>REFERENCE</b>	3.2
<b>ISSUE DATE</b>	6-30-2002
<b>PAGE</b>	10

- o The source(s) of data for each amount.
- o Methods used to arrive at estimated amounts.

GENERAL INSTRUCTIONS--ALL TAX SUMMARY FORMS

There are three separate summary forms for taxes:

- o Taxes Receivable Summary Form (GAAP Form 3.2.1). Exhibit 3.2 (B) shows a sample completed Taxes Receivable Summary Form (GAAP Form 3.2.1). Detailed instructions for completing this Form follow the Exhibit.
- o Tax Refunds Payable Summary Form (GAAP Form 3.2.2). Exhibit 3.2 (C) shows a sample completed Tax Refunds Payable Summary Form (GAAP Form 3.2.2). Detailed instructions for completing this Form follow the Exhibit.
- o Deferred Tax Revenues Summary Form (GAAP Form 3.2.3). Exhibit 3.2 (D) shows a sample completed Deferred Tax Revenues Summary Form (GAAP Form 3.2.3). Detailed instructions for completing this Form follow the Exhibit.

These instructions apply to all forms.

- o Carefully review the Accounting Principles and Policies section of this closing package to determine how to report tax revenues collected by your agency. Likewise, review your accounting records to determine amounts you will need to report.
- o In accordance with the appropriate principles and policies, determine or compute amounts to report at June 30 as:
  - Gross Taxes Receivable.
  - Allowance for Uncollectible Taxes at June 30.
  - Current Taxes Receivable.
  - Non-Current Taxes Receivable.
  - Tax Refunds Payable.
  - Deferred Tax Revenues.

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	11

- o For each GAAP fund in Appendix A that collects any reportable taxes, complete all three summary forms. Enter zeroes on a form if you have nothing to report. By doing this you certify that you considered all aspects of reporting (Receivables, Refunds, and Allowance for Uncollectibles) for each reportable tax. The Comptroller General's Office needs this certification for audit purposes.
- o Summarize amounts on the forms by GAAP revenue code. See Appendix E-2 (Exhibit 6.5 (J)) for STARS revenue object codes corresponding to each GAAP Revenue Code.
- o Round all dollar amounts to the nearest whole dollar.
- o The person who completes and signs the Form(s) should keep a copy. The Comptroller General's Office will contact this person if there are any questions.
- o Return the completed form(s) to the Comptroller General's Office no later than **August 31**. If you can return them earlier, please do so.

**STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL**

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

<b>REFERENCE</b>	3 . 2
<b>ISSUE DATE</b>	6-30-2002
<b>PAGE</b>	12

EXHIBIT  
3.2 (A)  
Page 1 of 2

**DERIVED TAX AND IMPOSED NONEXCHANGE REVENUES  
STARS TAX REVENUE OBJECT CODES WITH TAX REVENUE CATEGORY NAME**

<b>STARS OBJECT CODE</b>	<b>STARS OBJECT TITLE</b>	<b>TAX REVENUE CATEGORY*</b>
0101	Aircraft Tax	Imposed Nonexchange Revenue
0102	Private Car Lines Tax	Imposed Nonexchange Revenue
0103	Motor Carrier Property Tax	Imposed Nonexchange Revenue
0201	Retailer License Tax	Derived Tax Revenue
0202	Sales and Use Tax	Derived Tax Revenue
0203	Highway Use Tax	Derived Tax Revenue
0204	Sales Tax--Education Improvement Act	Derived Tax Revenue
0205	Sales Tax--Retail	Derived Tax Revenue
0207	Surcharge on Rental Cars	Derived Tax Revenue
0208	Special Tribal Sales Tax	Derived Tax Revenue
0301	Gasoline Tax	Derived Tax Revenue
0302	Special Fuel Tax	Derived Tax Revenue
0303	Tobacco Products/Playing Cards Tax	Derived Tax Revenue
0305	Alcoholic Liquors Tax	Derived Tax Revenue
0306	Beer and Wine Tax	Derived Tax Revenue
0307	Soft Drinks Tax	Derived Tax Revenue
0309	Gasoline Tax--County Watercraft	Derived Tax Revenue
0310	Petroleum Inspection Tax	Derived Tax Revenue
0312	Excise Tax--Casual Sales	Derived Tax Revenue
0317	Gasoline Tax--Economic Development	Derived Tax Revenue
0318	IFTA Revenue	Derived Tax Revenue
0325	Controlled Substance Tax	Derived Tax Revenue
0401	Individual Income Tax	Derived Tax Revenue
0402	Corporate Income Tax	Derived Tax Revenue
0403	Corporate Income Tax--Textiles	Derived Tax Revenue
0404	Employer Withholding--Income Tax	Derived Tax Revenue
0501	Insurance Company Tax	Derived Tax Revenue
0502	Domestic Corporation License Tax	Derived Tax Revenue
0503	Bank Tax	Derived Tax Revenue
0504	Savings and Loan Association Tax	Derived Tax Revenue
0505	Electric Power Tax	Derived Tax Revenue
0506	Foreign Corporation License Tax	Derived Tax Revenue
0507	Utilities Tax	Derived Tax Revenue
0602	Admissions Tax	Derived Tax Revenue
0603	Admissions Tax--Wildlife and Marine	Derived Tax Revenue

**STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL**

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

<b>REFERENCE</b>	3 . 2
<b>ISSUE DATE</b>	6-30-2002
<b>PAGE</b>	13

EXHIBIT  
3.2 (A)  
Page 2 of 2

**DERIVED TAX AND IMPOSED NONEXCHANGE REVENUES  
STARS TAX REVENUE OBJECT CODES WITH TAX REVENUE CATEGORY NAME**

<b>STARS OBJECT CODE</b>	<b>STARS OBJECT TITLE</b>	<b>TAX REVENUE CATEGORY*</b>
0604	Documentary Stamp Tax	Derived Tax Revenue
0607	Workers' Compensation Self-Insured Tax	Derived Tax Revenue
0608	Additional Insurance Tax	Derived Tax Revenue
0609	Annual Insurance Tax	Derived Tax Revenue
0610	Brokers' Premium Tax	Derived Tax Revenue
0611	Fire Insurance Inspection Tax	Derived Tax Revenue
0612	Workers' Compensation Insurance Tax	Derived Tax Revenue
0613	Fire Department Premium Tax	Derived Tax Revenue
0614	Auto Insurance Company Tax	Derived Tax Revenue
0616	Estate Tax	Imposed Nonexchange Revenue
0617	Admission Tax--Bingo	Derived Tax Revenue
0618	Workers' Comp. Self-Insured Tax--WC Insolv Fd	Derived Tax Revenue
0619	Workers' Comp. Insurance Tax--WC Insolv Fd	Derived Tax Revenue
0621	Fire Academy Bond Tax	Derived Tax Revenue
0622	Tribal Bingo Tax	Derived Tax Revenue
0625	Commercial Nuclear Waste Tax	Derived Tax Revenue
0640	Insurance Premium Tax	Derived Tax Revenue
0650	Hospital Tax	Derived Tax Revenue
1602	Coin-Operated Device License Tax	Derived Tax Revenue
4601	Fertilizer Inspection Tax	Derived Tax Revenue
4701	Public Service Company Assessment Tax	Derived Tax Revenue
7301	Conscience Revenue	Derived Tax Revenue

\* The Tax Revenue Category determines the revenue accounting principles that the State will use.  
See Accounting Principles and Policies subsection

<p>STATE OF SOUTH CAROLINA OFFICE OF THE COMPTROLLER GENERAL</p>
--

<p>GAAP CLOSING PROCEDURES MANUAL</p>		
---------------------------------------	--	--

<p>TAX REVENUES CLOSING PACKAGE</p>	<p>REFERENCE</p>	<p>3.2</p>
	<p>ISSUE DATE</p>	<p>6-30-2002</p>
	<p>PAGE</p>	<p>14</p>

(THIS PAGE INTENTIONALLY LEFT BLANK.)

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	15

STATE OF SOUTH CAROLINA  
TAXES RECEIVABLE SUMMARY FORM  
At June 30, 2002 (1)

EXHIBIT  
3.2 (B)  
Page 1 of 4

(2)	
Agency: <u>A99</u>	<u>Sample Agency</u>
Code	Name
(3)	
Prepared: <u>8/20/2002</u>	By: <u>J. P. Junior</u> Title: <u>Accountant I</u> Phone: <u>734-1234</u>
Date	Employee Name
(3)	
Approved: <u>8/28/2002</u>	By: <u>I. M. Senior</u> Title: <u>Dir. of Accounting</u> Phone: <u>734-2345</u>
Date	Employee Name
(4) (5)	
GAAP Fund Code: <u>1001</u>	GAAP Fund Name: <u>General Fund – General</u>

GAAP Account Code	GAAP Revenue Name (Code)	Amount
0-xxxx-0-1170	<b>Individual Income Tax (0010)</b>	
1-xxxx-0-0010	Gross Receivables	\$ <u>29,500,000</u> (6)
	Less:	
1-xxxx-0-0010	Allowance for Uncollectible Amounts	\$ <u>-2,000,000</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>27,500,000</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>25,000,000</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>2,500,000</u> (10)
1-xxxx-0-0010		
0-xxxx-0-2080		
0-xxxx-0-1170	<b>Corporate Income Tax (0011)</b>	
1-xxxx-0-0011	Gross Receivables	\$ <u>15,000,000</u> (6)
	Less:	
1-xxxx-0-0011	Allowance for Uncollectible Amounts	\$ <u>-1,650,000</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>13,350,000</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>11,750,000</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>1,600,000</u> (10)
1-xxxx-0-0011		
0-xxxx-0-2080		

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	16

STATE OF SOUTH CAROLINA  
TAXES RECEIVABLE SUMMARY FORM  
At June 30, 2002 (1)

EXHIBIT  
3.2 (B)  
Page 2 of 4

(2)		
Agency:	<u>A99</u>	<u>Sample Agency</u>
	Code	Name
(4)		
GAAP Fund Code:	<u>1001</u>	GAAP Fund Name: <u>General Fund – General</u>
GAAP Account Code	GAAP Revenue Name (Code)	Amount
0-xxxx-0-1170	<b>Retail Sales &amp; Use Tax (0012)</b>	
1-xxxx-0-0012	Gross Receivables	\$ <u>9,400,400</u> (6)
	Less:	
1-xxxx-0-0012	Allowance for Uncollectible Amounts	\$ <u>-100,200</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>9,300,200</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>8,300,200</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>1,000,000</u> (10)
1-xxxx-0-0012		
0-xxxx-0-2080		
0-xxxx-0-1170	<b>Tobacco Products Tax (0013)</b>	
1-xxxx-0-0013	Gross Receivables	\$ <u>580,582</u> (6)
	Less:	
1-xxxx-0-0013	Allowance for Uncollectible Amounts	\$ <u>-2,000</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>578,582</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>563,082</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>15,500</u> (10)
1-xxxx-0-0013		
0-xxxx-0-2080		
0-xxxx-0-1170	<b>Gas and Motor Vehicle Tax (0014)</b>	
1-xxxx-0-0014	Gross Receivables	\$ <u>1,525,100</u> (6)
	Less:	
1-xxxx-0-0014	Allowance for Uncollectible Amounts	\$ <u>-13,080</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>1,512,020</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>1,500,000</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>12,020</u> (10)
1-xxxx-0-0014		
0-xxxx-0-2080		

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3 . 2
ISSUE DATE	6-30-2002
PAGE	17

STATE OF SOUTH CAROLINA  
TAXES RECEIVABLE SUMMARY FORM  
At June 30, 2002 (1)

EXHIBIT  
3.2 (B)  
Page 3 of 4

(2)		
Agency:	<u>A99</u> Code	<u>Sample Agency</u> Name
(4)		
GAAP Fund Code:	<u>1001</u>	GAAP Fund Name: <u>General Fund – General</u>
GAAP Account Code	GAAP Revenue Name (Code)	Amount
0-xxxx-0-1170	<b>Alcoholic Liquors Tax (0015)</b>	
1-xxxx-0-0015	Gross Receivables	\$ <u>131,000</u> (6)
	Less:	
1-xxxx-0-0015	Allowance for Uncollectible Amounts	\$ <u>-1,100</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>129,900</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>124,400</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>5,500</u> (10)
1-xxxx-0-0015		
0-xxxx-0-2080		
0-xxxx-0-1170	<b>Beer and Wine Tax (0016)</b>	
1-xxxx-0-0016	Gross Receivables	\$ <u>16,940</u> (6)
	Less:	
1-xxxx-0-0016	Allowance for Uncollectible Amounts	\$ <u>-425</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>16,515</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>15,015</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>1,500</u> (10)
1-xxxx-0-0016		
0-xxxx-0-2080		
0-xxxx-0-1170	<b>Insurance Tax (0017)</b>	
1-xxxx-0-0017	Gross Receivables	\$ <u>0</u> (6)
	Less:	
1-xxxx-0-0017	Allowance for Uncollectible Amounts	\$ <u>0</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>0</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>0</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>0</u> (10)
1-xxxx-0-0017		
0-xxxx-0-2080		

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3 . 2
ISSUE DATE	6-30-2002
PAGE	18

STATE OF SOUTH CAROLINA  
TAXES RECEIVABLE SUMMARY FORM  
At June 30, 2002 (1)

EXHIBIT  
3.2 (B)  
Page 4 of 4

Agency: <u>(2)</u> <div style="display: flex; justify-content: space-between;"> <span><u>A99</u> Code</span> <span><u>Sample Agency</u> Name</span> </div>		
GAAP Fund Code: <u>(4)</u> <div style="display: flex; justify-content: space-between;"> <span><u>1001</u></span> <span>GAAP Fund Name:      <u>General Fund – General</u></span> </div>		
GAAP Account Code	GAAP Revenue Name (Code)	Amount
0-xxxx-0-1170	<b>Other Taxes (0049)</b>	
1-xxxx-0-0049	Gross Receivables	\$ <u>92,500</u> (6)
1-xxxx-0-0049	Less:	
1-xxxx-0-0049	Allowance for Uncollectible Amounts	\$ <u>-5,235</u> (7)
0-xxxx-0-1175	Net Receivable:	\$ <u>87,265</u> (8)
0-xxxx-0-1171	Current Net Receivable	\$ <u>51,000</u> (9)
0-xxxx-0-1170	Non-Current Net Receivable	\$ <u>36,265</u> (10)
1-xxxx-0-0049		
0-xxxx-0-2080		

**STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL**

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	19

COMPLETING THE TAXES RECEIVABLE SUMMARY FORM (GAAP FORM 3.2.1)

REF	EXPLANATION
(1)	Enter the fiscal year for which this Form applies.
(2)	Enter the agency name and three-character STARS agency code.
(3)	Complete all information regarding preparation of this Form. The Finance Director or Executive Director should approve the Form before sending it to the Comptroller General's Office.
(4)	Enter the four-digit GAAP fund code. (See Appendix A.)
(5)	Enter the name of the GAAP Fund. (See Appendix A.)
(6)	Enter the <i>gross</i> amount of Taxes Receivable that others owe you at June 30. Enter amounts for each GAAP revenue code described on the Form. See Appendix E-2 in Section 6.5 for a list of STARS revenue object codes to include in each GAAP revenue code.
(7)	Enter the amount of the Allowance for Uncollectible Taxes. Evaluate the collectibility of the amount reported as Gross Receivables in item (6) above. Your agency must <u>estimate</u> the amount it considers to be uncollectible. Report the amount of your estimate as your Allowance for Uncollectible Taxes. Use historical data on revenue collectibility to make this estimate.
(8)	Enter the amount of Net Receivables at June 30. Reduce the amount of Gross Receivables reported in item (6) above by the Allowance for Uncollectible Taxes reported in item (7). The balance represents Net Taxes Receivable. This is the amount that you will split into the components described as items (9) and (10) below.
(9)	Enter the amount of Current Taxes Receivable: <ul style="list-style-type: none"> <li>o For Net Taxes Receivable that others owe you at June 30.</li> <li>o For which you expect to receive payment within the next twelve months (i.e. FM01 - FM12 of the subsequent year.)</li> </ul>

Enter amounts for each GAAP revenue code described on the Form. See Appendix E-2 in Section 6.5 for a list of STARS revenue object codes to include in each GAAP revenue code.

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

TAX REVENUES CLOSING PACKAGE

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	20

REF

EXPLANATION

- (10) Enter amount of Non-Current Taxes Receivable:
- o For Taxes Receivable that others owe you at June 30.
  - o For which you expect to receive payment in months subsequent to the Current Receivable period (i.e. AFTER FM12 of the subsequent period.)

Enter amounts for each GAAP revenue code described on the Form. See Appendix E-2 in Section 6.5 for a list of STARS revenue object codes to include in each GAAP revenue code.

**NOTE: The sum of items (9) and (10) must equal item (8).**

<p>STATE OF SOUTH CAROLINA OFFICE OF THE COMPTROLLER GENERAL</p>
--

<p>GAAP CLOSING PROCEDURES MANUAL</p>		
---------------------------------------	--	--

<p>TAX REVENUES CLOSING PACKAGE</p>	<p>REFERENCE</p>	<p>3.2</p>
	<p>ISSUE DATE</p>	<p>6-30-2002</p>
	<p>PAGE</p>	<p>21</p>

(THIS PAGE IS LEFT INTENTIONALLY BLANK.)

**STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL**

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

<b>REFERENCE</b>	3 . 2
<b>ISSUE DATE</b>	6 - 30 - 2002
<b>PAGE</b>	22

EXHIBIT 3.2 (C)

STATE OF SOUTH CAROLINA  
TAX REFUNDS PAYABLE SUMMARY FORM

At June 30, 2002 (1)

<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Agency: <u>  A99  </u> <u>  Sample Agency  </u></p> <p style="text-align: center;">Code Name</p> </div> <div style="width: 35%;"> <p>Prepared: <u>  8/29/2002  </u> By <u>  J. P. Junior  </u> Title <u>  Accountant I  </u> Phone <u>  734-1234  </u></p> <p style="text-align: center;">Date Employee Name</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 60%;"> <p>Approved: <u>  8/31/2002  </u> By <u>  I. M. Senior  </u> Title <u>  Dir. of Accounting  </u> Phone <u>  734-2345  </u></p> <p style="text-align: center;">Date Employee Name</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <p>GAAP Fund Code: <u>  1001  </u></p> </div> <div style="width: 55%;"> <p>GAAP Fund Name: <u>  General Fund - General  </u></p> </div> </div>		
GAAP Account Code	GAAP Revenue Name (Code)	Dollar Amount of Total Tax Refunds Payable (6)
1-xxx-0-0010 0-xxx-0-2051	Individual Income Tax (0010)	\$ <u>  26,000,000  </u>
1-xxx-0-0011 0-xxx-0-2051	Corporate Income Tax (0011)	\$ <u>  5,000,000  </u>
1-xxx-0-0012 0-xxx-0-2051	Retail Sales & Use Tax (0012)	\$ <u>  1,500,500  </u>
1-xxx-0-0013 0-xxx-0-2051	Tobacco Products Tax (0013)	\$ <u>  35,060  </u>
1-xxx-0-0014 0-xxx-0-2051	Gas and Motor Vehicle Tax (0014)	\$ <u>  40,075  </u>
1-xxx-0-0015 0-xxx-0-2051	Alcoholic Liquors Tax (0015)	\$ <u>  15,300  </u>
1-xxx-0-0016 0-xxx-0-2051	Beer and Wine Tax (0016)	\$ <u>  17,460  </u>
1-xxx-0-0017 0-xxx-0-2051	Insurance Tax (0017)	\$ <u>  0  </u>
1-xxx-0-0049 0-xxx-0-2051	Other Taxes (0049)	\$ <u>  15,000  </u>

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	23

COMPLETING THE TAX REFUNDS PAYABLE SUMMARY FORM (GAAP FORM 3.2.2)

REF	EXPLANATION
(1)	Enter the fiscal year for which this Form applies.
(2)	Enter the agency name and three-character STARS agency code.
(3)	Complete all information regarding preparation of this Form. The Finance Director or the Executive Director should approve the Form before sending it to the Comptroller General's Office. Keep a copy of the completed Form for the agency's working papers.
(4)	Enter the four-digit GAAP fund code. (See Appendix A.)
(5)	Enter the name of the GAAP fund. (See Appendix A.)
(6)	Enter the total Tax Refunds Payable for each GAAP revenue code described on the Form. See Appendix E-2 in Section 6.5 for a list of STARS revenue object codes to include in each GAAP revenue code.

**STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL**

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3 . 2
ISSUE DATE	6-30-2002
PAGE	24

EXHIBIT 3.2 (D)

STATE OF SOUTH CAROLINA  
DEFERRED TAX REVENUES SUMMARY FORM  
At June 30, 2002 (1)

Agency: <sup>(2)</sup> <u>A99</u> <u>Sample Agency</u> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Code</span> <span>Name</span> </div>		
Prepared: <sup>(3)</sup> <u>8/29/2002</u> By <u>J. P. Junior</u> Title <u>Accountant I</u> Phone <u>734-1234</u> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Date</span> <span>Employee Name</span> </div>		
Approved: <sup>(3)</sup> <u>8/31/2002</u> By <u>I. M. Senior</u> Title <u>Dir. of Accounting</u> Phone <u>734-2345</u> <div style="display: flex; justify-content: space-between; width: 100%;"> <span>Date</span> <span>Employee Name</span> </div>		
GAAP Fund Code: <sup>(4)</sup> <u>1001</u> GAAP Fund Name: <sup>(5)</sup> <u>General Fund - General</u>		
GAAP Account Code	GAAP Revenue Name (Code)	Dollar Amount of Deferred Revenue <sup>(6)</sup>
1-xxxx-0-0010 0-xxxx-0-2080	Individual Income Tax (0010)	\$ _____
1-xxxx-0-0011 0-xxxx-0-2080	Corporate Income Tax (0011)	\$ _____
1-xxxx-0-0012 0-xxxx-0-2080	Retail Sales & Use Tax (0012)	\$ _____
1-xxxx-0-0013 0-xxxx-0-2080	Tobacco Products Tax (0013)	\$ _____
1-xxxx-0-0014 0-xxxx-0-2080	Gas and Motor Vehicle Tax (0014)	\$ _____
1-xxxx-0-0015 0-xxxx-0-2080	Alcoholic Liquors Tax (0015)	\$ _____
1-xxxx-0-0016 0-xxxx-0-2080	Beer and Wine Tax (0016)	\$ _____
1-xxxx-0-0017 0-xxxx-0-2080	Insurance Tax (0017)	\$ _____
1-xxxx-0-0049 0-xxxx-0-2080	Other Taxes (0049)	\$ <u>1,000,000</u>

STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

REFERENCE	3.2
ISSUE DATE	6-30-2002
PAGE	25

COMPLETING THE DEFERRED TAX REVENUES SUMMARY FORM (GAAP FORM 3.2.3)

REF	EXPLANATION
(1)	Enter the fiscal year for which this Form applies.
(2)	Enter the agency name and three-character STARS agency code.
(3)	Complete all information regarding preparation of this Form. The Finance Director or the Executive Director should approve the Form before sending it to the Comptroller General's Office. Keep a copy of the completed Form for the agency's working papers.
(4)	Enter the four-digit GAAP fund code. (See Appendix A.)
(5)	Enter the name of the GAAP fund. (See Appendix A.)
(6)	Enter the total Deferred Tax Revenues for each GAAP revenue code described on the Form. See Appendix E-2 in Section 6.5 for a list of STARS revenue object codes to include in each GAAP revenue code.

STATE OF SOUTH CAROLINA OFFICE OF THE COMPTROLLER GENERAL		
GAAP CLOSING PROCEDURES MANUAL		
TAX REVENUES CLOSING PACKAGE	REFERENCE	3.2
	ISSUE DATE	6-30-2002
	PAGE	26

GENERAL INSTRUCTIONS--TAX REVENUES CLOSING PACKAGE, REVIEWER CHECKLIST  
(GAAP FORM 3.2.4.)

- o The purpose of the Reviewer Checklist is to help your agency perform an effective review of the completed closing package forms **before** you submit them to the Comptroller General's Office. An effective review is essential to minimizing closing package errors. As such, it is an important internal control. **Completion of this Checklist is required.**
- o Retain the completed checklist for audit along with your other working papers; **do not** return it to the Comptroller General's Office.
- o Your agency's Finance Director, Executive Director, or another reviewer should complete the Reviewer Checklist. The reviewer **must** be someone other than the preparer.
- o Each question on the Reviewer Checklist is designed so that a "No" answer indicates a potential problem. Generally, when the reviewer responds "No," he/she should return the closing package form to the preparer to be corrected and resubmitted. If you believe that a "No" answer to a particular question is unavoidable or acceptable in your unique situation, however, attach an explanation to the completed checklist and retain it with the completed checklist.
- o This checklist is not all-inclusive. It is designed only to detect the most frequent types of errors. It may not identify all possible errors.
- o Exhibit 3.2 (E) shows a sample completed Reviewer Checklist (GAAP Form 3.2.4).

**STATE OF SOUTH CAROLINA  
OFFICE OF THE COMPTROLLER GENERAL**

**GAAP CLOSING PROCEDURES MANUAL**

**TAX REVENUES CLOSING PACKAGE**

<b>REFERENCE</b>	3 . 2
<b>ISSUE DATE</b>	6 - 30 - 2002
<b>PAGE</b>	27

STATE OF SOUTH CAROLINA  
TAX REVENUES CLOSING PACKAGE REVIEWER  
CHECKLIST

EXHIBIT  
3.2 (E)  
Page 1 of 1

FISCAL YEAR 2002

Reviewer's Signature: *I. M. Senior*

Date Last Review Step Was Completed: *8/31/02*

REVIEW STEP	YES/NO
Is the reviewer of the Tax Revenues Closing Package someone other than the person who prepared it?	<i>Yes</i>
Did the preparer and reviewer <i>sign</i> the Tax Revenues Closing Package (not just type or rubber-stamp their names)?	<i>Yes</i>
Did the preparer and reviewer show their titles and telephone numbers?	<i>Yes</i>
Can all amounts reported on the Tax Revenues Closing Package be traced back to official agency accounting records or to working papers?	<i>Yes</i>
Do the completed closing package forms reflect implementation of all changes in closing package instructions for this year, if any, that apply to your agency?	<i>Yes</i>
Are differences between the closing package amounts reported in the current-year and those reported last year either (1) small or (2) explained (as to reasons) in working papers retained for audit purposes?	<i>Yes</i>
Did you complete all three of the Tax Revenue Closing Package summary forms (GAAP Forms 3.2.1 through 3.2.3) for each GAAP fund that collects tax revenues?	<i>Yes</i>

GAAP Form 3.2.4, Rev. 6/30/02