

OREGON ACCOUNTING MANUAL	
SUBJECT: Accounting and Financial Reporting	Number: 15.35.00.PO
DIVISION: State Controller's Division	Effective date: June 9, 2008
Chapter: Accounting and Financial Reporting	
Part: Revenues and Receivables	
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Authority GASB Codification Section 1600
 GASB Codification Section 2200
 GASB Statement No. 24
 GASB Statement No. 33
 GASB Statement No. 34
 GASB Statement No. 38
 GASB Statement No. 42
 GASB Statement No. 48

Policy Standards

- .101 Revenues should be accounted for in accordance with **generally accepted accounting principles**. Revenues resulting from different types of transactions should be accounted for using the appropriate guidance. Agencies are responsible to analyze the nature of their transactions and use applicable guidance provided in this policy and the accompanying procedure.
- .102 Revenues are reported net of estimated uncollectible amounts. Accordingly, receivables are recorded at the gross amount and offset with an amount of estimated uncollectibles in Allowance for Uncollectible Accounts. Use of an allowance account is required for tracking and reporting purposes.

Classes and Definitions of Revenue Transactions

- .103 Exchange transactions are transactions in which each party to the transaction gives up or receives essentially equal value. For example, a purchase or sale of goods or services is an exchange transaction. One participant exchanges cash for goods or services of an equal value. An exchange-like transaction is one in which the values exchanged, though related, may not be quite equal and in which the direct benefits may not be exclusively for the parties to the transaction. Nevertheless, the exchange characteristics of the transaction are strong enough to justify treating the transaction as an exchange transaction for accounting recognition. The difference between an exchange transaction and an exchange-like transaction is a matter of degree.
- .104 Nonexchange transactions are transactions in which one party gives value or benefit to another party without directly receiving equal value in exchange or conversely, receives

value or benefit from another party without directly giving equal value in exchange. Nonexchange transactions fall into four classes:

- a. Derived tax revenues. Derived tax revenues result when a governmental entity imposes a tax on an exchange transaction. Personal and corporate income taxes, motor fuels taxes, and other assessments based on earnings or consumption are all derived tax revenues.
- b. Imposed nonexchange transactions. Imposed nonexchange transactions result when a governmental entity imposes an assessment on a nongovernmental entity and the assessment is based on something other than an exchange transaction. Inheritance taxes, fines, and penalties are examples of imposed nonexchange transactions.
- c. Government-mandated nonexchange transactions. Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level. The provider government stipulates that the receiving government use the resources provided for a specific mandated program. Fulfillment of eligibility requirements is generally also required. A federal grant for a federally mandated program would be included in this class of nonexchange transactions.
- d. Voluntary nonexchange transactions. Voluntary nonexchange transactions result from legislative or contractual agreements, other than exchanges, entered into willingly by two or more parties. The provider frequently establishes purpose restrictions and eligibility requirements. Certain grants and entitlements, as well as most donations, fall into this category.