

OREGON ACCOUNTING MANUAL		Number 15.40.00.PO
Oregon Department of Administrative Services State Controller's Division	Policy	Effective Date July 1, 2001
Chapter	Accounting and Financial Reporting	.1 OF .1
Part	Expenses, Expenditures and Payables	
Section		Approval Signature on file at SCD

Authority GASB Codification Section 1100
 GASB Interpretation No. 6
 GASB Statement No. 33
 GASB Statement No. 34
 [ORS 279.435](#)
 [ORS 293.462](#)

Policy Standards

- .101 **Expenses/Expenditures** and payables should be accounted for in accordance with **generally accepted accounting principles (GAAP)**. Expenses/Expenditures and payables 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 GAAP require that liabilities and expenses be recognized using the economic resources measurement focus and the accrual basis of accounting in **proprietary funds** and **fiduciary funds** as well as in the **government-wide financial statements**. Expenses and liabilities resulting from exchange transactions should be recognized when the exchange takes place. Expenses and liabilities arising from nonexchange transactions should be recognized when all eligibility requirements have been met. See **OAM 15.35.00 PR** for a more detailed discussion of nonexchange transactions.
- .103 **Governmental funds** recognize liabilities and expenditures using the modified accrual basis of accounting. Liabilities are recognized to the extent that they are normally expected to be liquidated with available financial resources. Most expenditures are recognized when the related liability is incurred. However there are several exceptions to this general rule.
- .104 In the absence of an explicit requirement to do otherwise, governmental fund liabilities and expenditures should be accrued. Liabilities that governments normally pay in a timely manner and in full from current financial resources, for example salaries and utilities, should be recognized when incurred, without regard to the extent to which resources are currently available.
- .105 Agencies are responsible to pay vendors and contractors in a timely manner. When paying past due invoices, payment of interest charges shall not exceed limits established by statute.