

OREGON ACCOUNTING MANUAL	
Subject: Accounting and Financial Reporting	Number: 15.45.30.PR
Division: State Controller's Division	Effective date: April 24, 2008
Chapter: Accounting and Financial Reporting	
Part: Interfund and Interagency Transactions	
Section: Lottery	
Approved: John Radford, State Controller	Signature on file at SCD

Allocating and Accounting for Lottery Funds

- .101 The Department of Administrative Services, Operations Division (DAS Ops) will request the State Treasurer to set up any Treasury accounts authorized by law for the deposit of lottery fund allocations.
- .102 When DAS Ops prepares the quarterly **allocation plan**, allocations will be one eighth of the biennial allocation amount, assuming no revenue shortfalls will occur. The DAS Ops will include procedures to be followed for the distributions, taking into consideration potential shortfalls and quarterly **estimated revenues**.
- .103 The DAS Ops will prepare the quarterly **allocation schedule** and distribute the lottery proceeds to recipient agencies, within four business days after receipt of funds from the Oregon State Lottery.
- .104 If in any quarter the moneys transferred from the State Lottery Fund to the Department of Administrative Services, Economic Development Fund (DASEDF) are insufficient to distribute the quarterly allocation, DAS Ops shall follow current law in distributing the moneys, with debt service obligations having priority.
- .105 After debt service obligations are satisfied, if the remaining moneys in the DASEDF are insufficient to distribute the quarterly allocations as established by law, the allocations shall be reduced proportionately in sufficient amounts to accommodate the revenue shortfall.
- .106 Interest earned on moneys deposited in the DASEDF, and any moneys returned to the DASEDF, will be allocated in the next quarterly allocation schedule.
- .107 Unexpended moneys, including unexpended interest earnings, will be returned to the DASEDF upon completion of the program or project for which the lottery funds were received.
- .108 The receiving agency will record the receipt of lottery fund proceeds in a separate accounting fund for tracking these moneys separately from other moneys. A balanced transfer is used to transfer lottery proceeds between agencies:

TC 720 To record transfer to other funds/agencies

DR 3550 Operating Transfers Out (CO 180X Transfer Out to State Agency) xxx

Requires use of an appropriate G38 code
CR 0070 Cash on Deposit With Treasurer xxx

TC 721 To record transfer from other funds/agencies

DR 0070 Cash on Deposit With Treasurer xxx
CR 3150 Operating Transfers In (CO 1306 Transfer In From DAS) xxx
Requires use of an appropriate G38 code

.109 **GAAP** require that transfers be recognized in the accounting period in which the interfund receivable and payable arise. Accordingly, at fiscal year end, agencies will record accruals for amounts due to agencies and due from the DASEDF for distributions related to the quarter ended June 30. These accruals will be coordinated through DAS Ops and will balance statewide. The amount due an agency from the DASEDF is entered in R*STARS with the following balanced entries:

TC 919 To record the distribution due an agency from the DASEDF at June 30 (auto reverses)

DR 3550 Operating Transfers Out Control (CO 180X Transfer Out to State Agency) xxx
CR 1532 Due To Other Funds/Agencies xxx
Requires an Agency General Ledger account and G38 code

TC 920 To record the lottery distribution due from DASEDF at June 30 (auto reverses)

DR 0586 Due From Other Funds/Agencies xxx
CR 3150 Operating Transfers In Control (CO 1306 Transfer in From DAS) xxx
Requires an Agency General Ledger account and G38 code

.110 Agencies are responsible to return unexpended moneys to the DASEDF upon completion of the program or project for which the lottery funds were received.