

20 NCAC 03 .0402 REVENUES SUSCEPTIBLE TO ACCRUAL

(a) The basis of accounting specified in this Rule shall apply only to the required treatment for the purposes of budgeting and accounting. For financial statement purposes, all revenues may be treated in the alternative as provided by generally accepted accounting principles.

(b) The revenues listed below shall not be considered susceptible to accrual under the modified accrual basis of accounting. For budgetary purposes, these revenues shall be considered to be revenues of the governmental unit only to the extent that they can reasonably be expected to be received in cash prior to the end of the budget year. For accounting purposes, these revenues shall be recorded as revenues of the governmental unit only to the extent that they are actually received in cash before the end of the fiscal year:

- (1) current year's property taxes;
- (2) prior year's property taxes;
- (3) all taxes collected by the state and remitted thereafter to the governmental unit including but not limited to:
 - (A) state street aid (Powell Bill),
 - (B) intangible tax,
 - (C) local option sales tax,
 - (D) beer and wine taxes,
 - (E) utility franchise taxes;
- (4) general federal revenue sharing, including payments for a specific entitlement period but actually remitted after the end of the fiscal year of the governmental unit.

(c) Revenue from specific categorical federal or state grants or grants-in-aid and from special federal revenue sharing block grants shall be accounted for on an accrual basis; i.e., revenues shall be recorded in the year and to the extent that the expenditures on the grant are recorded whether the revenue is received before or after the expenditure is made.

*History Note: Authority G.S. 159-26(e);
Eff. February 1, 1976;
Readopted Eff. September 23, 1977;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 9, 2018.*