

**ACCOUNTING ADJUSTMENTS**

**1. PURPOSE**

This Directive prescribes policy and procedures for accounting adjustments.

**2. DEFINITIONS**

- a. Accounting Adjustments. Process by which incorrect accounting data is corrected when it has been determined that the original accounting documentation cannot be modified to correct the accounting data.
- b. Agency Fundholder. Any GIPSA manager or supervisor that receives a budget allocation.
- c. “Incorrect” Program Codes. Program codes that are incorrect, exist in the accounting system, but were incorrectly selected to process a particular accounting transaction (e.g., selecting a program code for another office).
- d. “Invalid” Program Codes. Program codes that do not exist in the accounting system and therefore are invalid.

**3. POLICY**

It is GIPSA policy that Agency fundholders will:

- a. Review their respective financial reports each month.
- b. Review their respective financial reports for accuracy, and, if accounting errors are identified, determine if an accounting adjustment is the appropriate method to correct the error.
- c. Minimize the use of accounting adjustments by ensuring that accounting information is accurate prior to obligation.

**4. RESPONSIBILITIES**

- a. The Agency Budget Officer, or equivalent, for GIPSA is responsible for authority granted under accounting adjustments.

- b. Agency fundholders will:
  - (1) Review financial reports to determine if any of the accounting data are incorrect.
  - (2) Determine if accounting adjustments are the appropriate method for correcting accounting data that has been entered incorrectly.
  - (3) Prepare all necessary accounting adjustment documentation.
- c. The Budget and Planning Staff (BPS) will:
  - (1) Approve the use of an accounting adjustment when appropriate,
  - (2) Monitor accounting adjustments for misuse, and
  - (3) Process all accounting adjustments.

## 5. PROCEDURES

- a. Review. Agency fundholders will review their financial reports to determine if financial transactions are accurate and appropriate.
- b. Determination. Agency fundholders will determine if an accounting adjustment is required.
  - (1) Agency fundholders must first consider modifying original (source) documents to correct the incorrect accounting data if:
    - (a) The transaction is purchase card management system (PCMS)-related. If so, the accounting error must be corrected in PCMS.
    - (b) An “incorrect” program code was used on a time and attendance (T&A) record. If so, process a corrected T&A. Adjustments related to incorrect program codes on numerous T&As will be considered by the Agency budget office on a case by case basis.
    - (c) The transaction is procurement related. If so, the accounting error must be corrected on the original purchase order/requisition.
    - (d) The transaction is travel (TRVL)-related. The Travel system only obligates relocations and therefore, allows for adjustments of the Travel Authorization/Advance, AD-202, for relocations only.

- (e) These must be corrected in the travel system if the traveler is still in the process of relocating and vouchering for expenses. If the relocation is complete and fully paid, it cannot be modified in travel; therefore, an accounting adjustment is required.
      - (f) The transaction is property (PROP)-related. If so, accounting adjustments may be completed only for budget object classes 3140 and within the 3150 series. Accounting adjustments should never be made for documents with a transaction code of DV (PROP standard voucher).
    - (2) The review should identify accounting adjustments to be completed for incorrect accounting data that cannot be corrected through amendment of original accounting documents and/or amendments made in the feeder system the transaction is related to.
- c. Notification.
  - (1) Once a determination is made that an accounting adjustment must be completed, Agency fundholders must notify BPS in writing. Agency fundholders will submit a signed accounting adjustment form indicating the accounting error to be corrected.
  - (2) The program or Agency office employee responsible for completing the accounting adjustment form will sign/date the form in the “prepared by” section.
  - (3) The Agency fundholder will sign/date the accounting adjustment form, thereby certifying requested adjustments.
  - (4) In addition, supporting documentation must accompany the accounting adjustment form. A detailed transaction report (DTR) or payroll report identifying the accounting error to be corrected will be sufficient.
- d. Verification. Agency fundholders are responsible for verifying that accounting adjustments are accurately completed by verifying corrections on a financial report.
- e. Retention. BPS must retain reports and records of accounting adjustments for audit purposes for 6 years.
- f. Additional Guidance. Additional guidance with regard to the completion of the accounting adjustment form or related procedure is available from BPS.

**6. INQUIRIES**

- a. Direct inquiries to the Agency Budget Officer, BPS, at (202) 720-0231.
- b. This Directive is available on the Internet at  
*<http://www.aphis.usda.gov/library/gipsa/GIPSA.html>*

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Administrator