

**3. ACCOUNTING**

**3.6 Revenues**

**3.6.10 Working Advances from the Department of Social and Health Services (DSHS)**

3.6.10.10 The DSHS provides working advances to local governments in conjunction with aging, mental health, developmental disabilities and alcohol and drug rehabilitation programs. They are provided in order to alleviate the cash flow problems associated with the time lag between your expenditures and reimbursements from the DSHS.

3.6.10.20 The working advances should be treated as fund debt rather than revenue.

3.6.10.30 In full accrual accounting, the receipt of a working advance should be recorded as follows:

	<u>DR</u>	<u>CR</u>
Cash	\$XXX	
Long-Term Payable – Working Advance		\$XXX

3.6.10.35 In modified accrual accounting, the receipt of a working advance should be recorded as follows:

	<u>DR</u>	<u>CR</u>
Cash	\$XXX	
Other Financing Source – Intergovernmental Loan		\$XXX