



Issue Date: <b>September 2009</b>	Effective Date: <b>Immediate</b>	Responsible Agency: <b>Comptroller General</b>	Directive No: <b>103</b>
Chapter: <b>Financial Systems</b>			
Directive Title: <b>RECORDING TRANSACTIONS</b>			

## 1. POLICY

The government is committed to ensuring all financial transactions adhere to generally accepted accounting principles. A basic requirement of financial management is an acceptable method of accounting to provide a framework to record, track, analyze and report on financial transactions. The accepted method of accounting to be used within the government is accrual accounting.

## 2. DEFINITION

2.1. Accrual accounting: Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred. The entries recognize the receipt of an asset or service and record a liability of the government to pay for these goods and services. Entries also record accounts receivable and revenues for amounts due to the government for goods or services provided according to an approved agreement or contract.

## 3. DIRECTIVE

All transactions shall be processed on a timely and accurate basis using accrual accounting.

Deputy Ministers shall ensure that their departments conform to this Directive and its Provisions.

## 4. PROVISIONS

4.1. All transactions must be included in the accounting period to which they apply.

4.2. Cash transactions must be processed and recorded promptly.



---

## FINANCIAL ADMINISTRATION MANUAL

---



- 4.3. Commitment accounting, an activity used to assist in appropriation control, must be followed in accordance with Directive 709.
- 4.4. All financial transactions must be coded in accordance with Directive 101.
- 4.5. Any exceptions to this directive must be approved by the Comptroller General.