

13 December 1994

Circular - 32/94: Accounting for certain recoupable expenditure.

TO: Heads of Departments

1. I am directed by the Minister for Finance to refer to paragraph 15 of Confidential Circular 1/94 of 15th June, 1994 (the Estimates Circular) regarding the possible introduction of suspense account arrangements to cover certain items of recoupable expenditure. It has now been decided that the recoupable element of expenditure on EU travel should be charged to suspense instead of the Vote with-effect from 1st January, 1995 and that refunds received relating to such expenditure should be credited to the same account. Any refunds which may be received from an airline by way of a discount should be taken to account as Appropriations-in-Aid (not credited to Vote).
2. Where a travel/subsistence expense has been charged to a subhead in the Vote on or after 1 January 1995 (on the basis that a refund was not expected) and a refund is subsequently received, it should be credited to the subhead if received during the same year of account as paid, otherwise it should be taken to account as Appropriations-in-Aid.
3. Refunds received after end-1994 which relate to expenditure incurred before 1995 should be taken to account as Appropriations-in-Aid.
4. The end-year balance in the proposed new recoupable travel expenses suspense account will equal the amount of unreimbursed EU travel costs and should appear as an asset in Departmental statements of current assets and liabilities. The suspense account should not be closed off at the end of the Year. Departments should have their own arrangements in place to ensure that refunds due are in fact paid.
5. The same accounting procedures should be applied
 - (a) where Departments have similar arrangements with other bodies and/or international organisations for recoupment of travel costs
and
 - (b) where, in certain circumstances, the body/organisation concerned refunds expenditure on subsistence.
6. The estimates prepared for inclusion in the 1995 Revised Estimates volume will reflect the above arrangements.

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