

June 1996

TO: New York State Fiscal Officers of Counties, Cities, Villages, and Towns
FROM: New York State Office of the State Comptroller, Division of Municipal Affairs
SUBJECT: Accounting for Gifts and Donations to the Drug Abuse Resistance Education
(D.A.R.E.) Program

The purpose of this release is to provide accounting and reporting guidance for gifts and donations restricted to use for D.A.R.E. Programs.

All revenues received for use in the D.A.R.E. program must be transmitted to the chief fiscal officer for deposit in the municipality's official bank account. These revenues are subject to appropriation by the governing board prior to expenditure and are subject to the same budgeting, accounting, and reporting requirements as other municipal funds. Claims must be audited by the board, officer, or employee charged with the auditing function prior to payment. Purchases of program materials are subject to competitive bidding laws and the procurement policies and procedures adopted by your governing board.

This program should be accounted for in your general fund.

Expenditure Account

- ❖ Program expenditures are to be recorded in account code 2989.0
Other Education - D.A.R.E.

Revenues

- ❖ Program gifts and donations should be recorded in revenue account code 2705 Gifts and Donations. Sufficient subsidiary records will have to be kept to insure that the revenues related to the DARE program are used only for related cost.

Reserved Fund Balance

- ❖ Excess revenues will be closed to reserved fund balance account 889 Miscellaneous Reserves. Computation of excess revenues is determined as follows:

Beginning Balance (889)	\$100
Add: Current Year Revenues (2705)	<u>500</u>
Subtotal	600
Less : Current Year Expenditures (2989.0)	<u>\$550</u>
Year End Balance (889)	<u>50</u>

If you have any questions, please call Municipal Accounting Systems at (518) 474-6023.