

ANNUAL ALLOTMENTS

Chapter 1 ANNUAL ALLOTMENTS

NOTICE OF ANNUAL DISTRIBUTION

In compliance with the Department of Transportation State Aid Rules Chapter 8820.1200, Subp.2, the Commissioner shall certify the annual apportionment to each respective county or urban municipality no later than January 25th of each year. The Commissioner's Order and Annual Distribution Letters are available at the State Aid Finance Website:

<http://www.dot.state.mn.us/safinance/commorder/apportionments.html> (Commissioner's Order)

<http://www.dot.state.mn.us/safinance/commorder/apportionments.html> (Distribution Letters)

(See example in the Appendix on page A).

REGULAR MAINTENANCE ALLOTMENT

The Notice of Annual Apportionment will show the amount of the current year's Regular Maintenance Allotment. If your county receives Trunk Highway Turnback Maintenance the amount is included in the allotment amount.

Trunk Highway Turnback Maintenance information is available at the State Aid Finance Website:

<http://www.dot.state.mn.us/safinance/commorder/apportionments.html>

Refer to page 1.5 for a graphic display of these entries.

Accounting Entry - to post annual apportionment

Date: 01/01/YYYY

Explanation: YYYY Regular Maintenance Allotment

Debit Account: (*asset*) Regular Maintenance Allotment

Credit Account: (*liability*) Regular Maintenance Deferred Revenue

Amount: From Notice of Annual Apportionment

REGULAR CONSTRUCTION ALLOTMENT

The Notice of Annual Apportionment will show the allotment amount for the current years Regular Construction. This allotment is **not** considered a *receivable* or *current revenue* at this time. The funds will become a *receivable* when they are requested from the state to fund a Regular Construction Project and *current revenue* will be recognized when the actual work is completed on the projects. Refer to page 1.5 for a graphic display of these entries.

Accounting Entry - to post annual apportionment
Date: 01/01/YYYY
Explanation: YYYY Regular Construction Allotment
Debit Account: (*asset*) Regular Construction Allotment
Credit Account: (*liability*) Regular Construction Deferred Revenue
Amount: From Notice of Annual Apportionment

MUNICIPAL MAINTENANCE ALLOTMENT

The Notice of Annual Apportionment will show the amount of the current year's Municipal Maintenance Allotment. If your county receives Trunk Highway Turnback Maintenance the amount is included in the allotment amount .

Trunk Highway Turnback Maintenance information is available at the State Aid Finance Website:

<http://www.dot.state.mn.us/safinance/commorder/apportionments.html>

Refer to page 1.5 for a graphic display of these entries.

Accounting Entry - to post annual apportionment
Date: 01/01/YYYY
Explanation: YYYY Municipal Maintenance Allotment
Debit Account: (*asset*) Municipal Maintenance Allotment
Credit Account: (*liability*) Municipal Maintenance Deferred Revenue
Amount: From Notice of Annual Apportionment

MUNICIPAL CONSTRUCTION ALLOTMENT

The Notice of Annual Apportionment will show the allotment amount for the current years Municipal Construction. This allotment is **not** considered a *receivable* or *current revenue* at this time. The funds will become a *receivable* when they are requested from the state to fund a Municipal Construction Project and *current revenue* will be recognized when the actual work is completed on the projects. Refer to page 1.5 for a graphic display of these entries.

Accounting Entry - to post annual apportionment
Date: 01/01/YYYY
Explanation: YYYY Municipal Construction Allotment
Debit Account: (*asset*) Municipal Construction Allotment
Credit Account: (*liability*) Municipal Construction Deferred Revenue
Amount: From Notice of Annual Apportionment

TOWN BRIDGE ALLOTMENT

The Town Bridge Allotment Construction Monies should be accounted for in the same way as CSAH Construction Allotment Monies. This means the Town Bridge Allotment (*asset*), Town Bridge Deferred Revenue (*liability*), Town Bridge Receivable (*asset*), and Town Bridge Construction Revenue (*revenue*) Accounts should be used in the same manner as the Regular and Municipal Accounts. You may need to set these four accounts up in your Chart of Accounts.

The Notice of Annual Apportionment will show the allotment amount for the current years Town Bridge Account. This allotment is **not** considered a *receivable* or *current revenue* at this time. The funds will become a *receivable* when they are requested from the state to fund a Town Bridge Project and *current revenue* will be recognized when the actual work is completed on the projects. Refer to page 1.5 for a graphic display of these entries.

Accounting Entry - to post annual apportionment
 Date: 01/01/YYYY
 Explanation: YYYY Town Bridge Allotment
 Debit Account: (*asset*) Town Bridge Allotment
 Credit Account: (*liability*) Town Bridge Deferred Revenue
 Amount: From Notice of Annual Apportionment

TOWN ROAD ALLOTMENT

The Town Road Allotment represents funds specifically earmarked for use by Minnesota townships. The Notice of Annual Apportionment will show the allotment amount for the current years Town Road Allotment. The total allotment is sent to each county at the beginning of each year per State Aid Rules Chapter 8820.1400, Subp. 5A. The county is responsible to apportion these funds to each township per M.S. 162.081, Subp. 2 and 4. The county is required to distribute the funds to each township annually by March 1, per M.S. 162.081, Subp. 3.

If the money is receipted into the General Revenue Fund, it is up to the County Auditor to record it. If the money is receipted into the Road and Bridge Fund, the following entries should be made to reflect both the receipt and the disbursements. Refer to page 1.5 for a graphic display of these entries.

- A. When the Notice of State Aid Annual Apportionment is received:

No entry is really needed at this time. You may wait until the money is actually received from the State.

- B. When the money is actually received from the State:

Accounting Entry - to post annual apportionment
 Date: 01/01/YYYY
 Explanation: YYYY Town Road Allotment
 Debit Account: (*asset*) Cash
 Credit Account: (*revenue*) Town Road Allotment Revenue
 Amount: Amount of State Warrant

C. When the money is apportioned and sent to the townships:

Accounting Entry - (one entry per township)

Date: MM/DD/YYYY
Debit Account: (*expense*) Town Road Expense
Credit Account: (*asset*) Cash
Vendor Number*: Vendor number you use for each township
Voucher Number*: The voucher or warrant number used to pay
Contract Number: No entry needed
Quantity Purchased: No entry needed
Amount: Dollar amount sent to this township

NOTE: The entry above may be made through adjustment or purchase channels; however, use of a purchases entry will allow the system to keep track of each of these disbursements by township and warrant number for a better audit trail.

NOTE: The annual report should include a page with the amount of Town Road money sent to each township.

ANNUAL ALLOTMENTS

EXAMPLES

Posting of Annual Allotments													
ACCOUNT NAMES	↑	Regular Maint Allotment	Regular Constr Allotment	Municipal Maint Allotment	Municipal Constr Allotment	Town Br Constr Allotment	Regular Maint Def Rev	Regular Constr Def Rev	Municipal Maint Def Rev	Municipal Constr Def Rev	Town Br Constr Def Rev	Town Road Allotment	Town Road Distribution
ACCOUNT TYPES	↑	asset	asset	asset	asset	asset	liability	liability	liability	liability	liability	revenue	expense
Jan 25 Regular Maintenance		100,000					(100,000)						
Jan 25 Regular Construction			250,000					(250,000)					
Jan 25 Municipal Maintenance				50,000					(50,000)				
Jan 25 Municipal Construction					80,000					(80,000)			
Jan 25 Town Bridge						25,000					(25,000)		
Feb 15 Receipt of Town Road	30,000											(30,000)	
Feb 28 Payments to Townships (one entry per township)	(30,000)												30,000
Account Balances	\$	\$ 0	\$ 100,000	\$ 50,000	\$ 80,000	\$ 25,000	\$ (100,000)	\$ (250,000)	\$ (50,000)	\$ (80,000)	\$ (25,000)	\$ (30,000)	\$ 30,000