

## **REIMBURSEMENTS**

**6463**

(Revised 09/2017)

A reimbursement is cash or other assets received as repayment for the cost of work or services performed, or for other expenditures made for or on behalf and for the convenience of another governmental unit, fund, or department, or for an individual, firm, or corporation. There should be a positive, direct relationship of the charge to the cost of the particular services performed for an individual or entity before one should consider a receipt to be reimbursement. Reimbursements represent the recovery of expenditure and are shown in the Budget Act as a reduction of the expenditures of an item of appropriation. In FISCAL (Hyperion), budget galleys, and most other budget documents and reports, expenditure authority and expenditures are displayed using a positive amount in Fund 0995.

Federal funds received directly from the federal government by a state department are federal receipts. The spending of those receipts by the receiving department is reported as federal fund expenditures. When these federal funds are used to pay another department for goods or services, the funds received by the second department are treated as reimbursements for the cost of work or services performed.