*FSC News Flash*

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**Clearing (Suspense) Account Payments**

VA uses clearing (suspense) accounts to temporarily hold unidentifiable general, special or trust fund collections. Funds in the clearing accounts must be classified to the proper receipt or expenditure account once they are identified.

Collections should be moved out of 3875 and 3885 no later than 60 days from the time of initial recording. **No payments are permitted from 3875 and 3885.** The only exception is for refunds of collections which do not belong to VA.CLA auditors identified invalid disbursements being processed against 3875 in their list of FY 16 audit exceptions. This is not permitted under VA financial policy Volume II, Chapter 2C, 020201D and 020205. Program and operating disbursements must be processed from the appropriation or fund established for those activities.

Clearing account 3845 is used for proceeds from sales of personal property. Since these proceeds are available to VA for the fiscal year of sale and one fiscal year thereafter for purchase of replacement equipment, collections in 3845 do not have to be moved out of that fund within 60 days. **No payments are permitted from 3845**, so proceeds must be transferred to an expenditure fund for the purchase.

If you have any questions regarding this News Flash, please contact the VAFSC Nationwide Accounting Section at VAFSCNWAccounting@va.gov.