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ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Steven L. Valasek, Director of State Accounting

DATE: April 20, 2006

SUBJECT: Detail Object Code Changes

NUMBER: 130

The purpose of this Accounting Bulletin is to notify agencies of changes to Detail Object Codes (DOCs) related to "Travel and other expenses, Contractual Payroll Employee, Payments to Vendors" and "Torts, Settlements, and Similar Payments". The changes were made to establish a "Payment to Vendor" DOC related to "Contractual Payroll Employees" and to establish a reportable and a non-reportable DOC for "Torts, Settlements, and Similar Payments" in both the 1200 series and the 4400 series.

The July 1, 2006 SAMS revisions will contain the new or revised DOCs. The changes described in this bulletin are effective immediately.

The new and revised DOCs are presented below (new text is presented in **bold**, deleted text is indicated by ~~strikethrough~~):

1263 Travel and other expenses, Contractual Payroll Employee, Payments to Vendors.

Payments made DIRECTLY TO VENDORS on behalf of Contractual Payroll Employees (as defined by detail object code 1145) for any expenditure directly incident to travel or other incidental expenses in connection with official State business. This code is NOT used for reimbursements to contractual payroll employees (1264). R

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1287 Tort, Settlements and Similar Payments – TAXABLE.

Payments of claims for a wrong committed upon a person or his/her property not related to a contractual obligation and permission has been granted from the Office of the Attorney General when the agency does not have a tort line. This is to be used for taxable payments to an injured party (or designee). Refer to the United States Internal Revenue Service Publication 525 for information on taxable and nontaxable court awards and damages. This code is NOT used for attorney payments (1244) or combined settlement/attorney payments (1268). R

1288 Tort, Settlements and Similar Payments – NONTAXABLE.

Payments of claims for a wrong committed upon a person or his/her property not related to a contractual obligation and permission has been granted from the Office of the Attorney General when the agency does not have a tort line. This is to be used for non-taxable payments to an injured party (or designee). Refer to the United States Internal Revenue Service Publication 525 for information on taxable and nontaxable court awards and damages. This code is NOT used for attorney payments (1244) or combined settlement/attorney payments (1268). NR

1289 Contractual Services, Not Elsewhere Classified.

Charges for services rendered by non-employees which cannot reasonably be paid from any other account under "Contractual Services." Miscellaneous services not subject to precise classifications may be charged to this account. Examples are: charges for educational exhibits; catering services; lettering of doors or other equipment; sign-painting; payment of bonus commissions to lottery agents and information, clipping and address services. ~~This detail object code is used when making settlement payments to an injured party (or designate) and permission has been granted from the Office of the Attorney General to use a 1200 line when the agency does not have a tort line. This code is NOT used for attorney payments (1244) or combined settlement/attorney payments (1268).~~ R

4428 Tort, Settlements and Similar Payments – TAXABLE.

Payments of claims for a wrong committed upon a person or his/her property not related to a contractual obligation. This is to be used for taxable payments to an injured party (or designee). Refer to the United States Internal Revenue Service Publication 525 for information on taxable and nontaxable court awards and damages. This code is NOT used for attorney payments (4459) or combined settlement/attorney payments (4487). R

4429 Tort ~~Claims,~~ **Settlements and Similar Payments – NONTAXABLE.**

Payments of claims for a wrong committed upon **a** ~~the~~ person or his/**her** property ~~independent of a contract~~ **not related to a contractual obligation**. **This is to be used for non-taxable payments to an injured party (or designee). Refer to the United States Internal Revenue Service Publication 525 for information on taxable and nontaxable court awards and damages**. This code is NOT used for attorney payments (4459) or combined settlement/attorney payments (4487). NR

If you have any questions concerning these revisions, please contact Linda Seelbach at (217) 782-3608. Agencies may access this and other Accounting, Payroll and SAMS bulletins on the Comptroller's website at www.ioc.state.il.us under Resource Library.