



County of Riverside  
OFFICE OF THE AUDITOR-CONTROLLER  
STANDARD PRACTICE MANUAL

**SUBJECT: SUPPLEMENTAL FINANCIAL LEDGERS**

<b>SECTION:</b>	<b>7</b>	<b>CATEGORY: GENERAL LEDGER POLICIES</b>
<b>POLICY NUMBER:</b>	<b>706</b>	
<b>REVISED/ LAST REVIEWED:</b>	<b>12/1/2024</b>	<b>APPROVED BY:</b> <i>Ben J. Brait</i>

**PURPOSE:** To explain the designated use of the Supplemental Financial Ledgers.

**SCOPE:** Applies to County departments, agencies, special districts, and authorities, that are governed by Riverside County Board of Supervisors, and/or which maintain funds in the County Treasury.

**POLICY:** Individuals assigned to use Supplemental Ledgers will require additional training to obtain the security role necessary to access the ledgers in the financial system.

**PROCEDURE:** To show the different ledgers in PeopleSoft and what items are used and posted to each one.

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**PURPOSE AND USE**

There are three main supplemental ledgers that are used. They are:

1. Proprietary ledger (PROP\_CP\_AS)
2. Governmental ledger (GOV\_AC\_GRP)
3. GAAP2 ledger

The **Proprietary** ledger is used only with the internal service and enterprise funds. It is used to report transactions for long-term items such as capital assets, depreciation expense, accumulated depreciation, and inventories. Every year after the fiscal year has been closed, the proprietary ledger balances are moved to the ACTUALS ledger. Internal service and enterprise funds must take into account their proprietary ledger balances when budgeting. When the balances are moved to the ACTUALS ledger, there will need to be enough budget for all transactions to post properly.

Transactions are normally not posted to this ledger directly. Transactions are generally posted to this ledger through the asset management module or the inventory module.

The **Governmental** ledger is used for long-term items reported on the government-wide financial statements of the Annual Comprehensive Financial Report (ACFR). This ledger has capital assets, long-term debt, and other full accrual items.

Transactions are normally not posted to this ledger directly. Transactions are generally posted to this ledger through the asset management module or the inventory module.

The **GAAP2** ledger reports only the items that are used for ACFR reporting purposes which are not used for departmental accounting. This may include adjustments for cash to fair market value or adjusting certain account classifications to classifications used in the ACFR. This ledger is only available in period 998, which is open after period 12 has closed. Transactions posted to this ledger are for the current year only; this ledger does not roll balances forward to the subsequent fiscal year.

Approval from the Auditor-Controller Reporting Unit is needed to post transactions to this ledger.

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**DEPARTMENT’S RESPONSIBILITIES**

- Posted amounts to account 546400 from the asset management module in the proprietary ledger should zero out the corresponding 54XXXX series expense accounts in the ACTUALS ledger (this applies to internal service and enterprise funds only).
- Posted amounts to the 532800 contra account from the capital lease module to the proprietary ledger should zero out the corresponding expense accounts 532500-532660 in the actuals ledger (this applies to internal service and enterprise funds only).
- Enter additions, adjustments, retirements, transfers and re-categories to the capital asset module.

**AUDITOR CONTROLLER’S OFFICE RESPONSIBILITIES**

- Convert current-year transactions from the proprietary ledger to the actuals ledger after all transactions have been posted at the end of the fiscal year.
- Review and ensure information input in the asset module is correct.
- Review journal entries posted to the proprietary ledger from the asset module.
- Approval or disapproval of GAAP2 entries.

**SECURITY ROLES**

- Asset module role
- Journal entry processor role

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