



UNIVERSITY
of ALASKA
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Accounting and Administrative Manual

Section 100: Accounting and Finance

Applicable Credits
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The University's process is to record applicable credits in accordance with generally accepted accounting principles and 2 CFR 200.406.

Applicable credits refer to receipts or reduction of expenditure type transactions that offset or reduce an expense item. This procedure applies to all funding types (e.g., unrestricted and restricted) and all transactions consistently.

Examples of applicable credits include purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges.

Applicable credits must be credited to the original expense, so that it is reduced.

Generally, reimbursements from third parties are recorded as revenue.