

2020-12 INTERPRETATION



IN-TRANSIT FUNDS

Issue:

For businesses that file taxes on the last few days of the month, ARSSTC does not receive the actual funds until days later. Release of funds to jurisdictions can be delayed until these funds clear or funds can be incorporated into the subsequent month's filing.

Discussion:

These funds are marked In Transit in MUNIREvs and are easily documented during the reconciliation but require a 3-4 days additional delay. It is reasonable to wait until funds clear to release funds to jurisdictions so records and funds match.

For filers who remit beyond the last day of the month, it is unreasonable to further delay reconciliation and remittance to jurisdictions. It is reasonable to have the funds from late filers in the subsequent month's filing.

Recommendation:

In keeping with best standards, all monthly funds should match the monthly sales tax filings (minus ARSSTC related fees) so it is reasonable to wait until funds clear completely to the ARSSTC depository account before distributing to the jurisdictions.

For late filers, the funds and filings will be incorporated into the subsequent month's filing.

Rationale:

In order to communicate clearly when funds will arrive, not further delay remittance, and deliver accurate and timely reports to the Commission, In Transit funds should be treated as part of the month they were filed for. Late filings, on the other hand, can be considered as part of the month during which they were filed, and remitted the following month based on that month's reconciliation.