

§ 367.2360

18 CFR Ch. I (4–1–10 Edition)

§ 367.2360 Account 236, Taxes accrued.

(a) This account must be credited with the amount of taxes accrued during the accounting period, corresponding debits being made to the appropriate accounts for tax charges. The credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits must be adjusted so as to include as nearly as can be determined in each year the related applicable taxes. Any amount representing a prepayment of taxes applicable to the period subsequent to the date of the balance sheet, must be shown under account 165, Prepayments (§367.1650).

(b) If accruals for taxes are found to be insufficient or excessive, corrections must be made through current tax accruals.

(c) Accruals for taxes must be based upon the net amounts payable after credit for any discounts, and must not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds must be credited to account 419, Interest and dividend income (§367.4190), and interest paid on deficiencies must be charged to account 431, Other interest expense (§367.4310).

(d) The records supporting the entries to this account must be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

§ 367.2370 Account 237, Interest accrued.

This account must include the amount of interest accrued but not matured on all liabilities of the service company not including, however, interest that is added to the principal of the debt on which it is incurred. Supporting records must be maintained so as to show the amount of interest accrued on each obligation.

§ 367.2380 Account 238, Dividends declared.

This account must include the amount of dividends that have been declared but not paid. Dividends must be credited to this account when they become a liability.

§ 367.2410 Account 241, Tax collections payable.

(a) This account must include the amount of taxes collected by the service company through payroll deductions or otherwise pending transmittal of the taxes to the proper taxing authority.

(b) Do not include liability for taxes assessed directly against the service company that is accounted for as part of the service company's own tax expense.

§ 367.2420 Account 242, Miscellaneous current and accrued liabilities.

This account must include the amount of all other current and accrued liabilities not provided for elsewhere, appropriately designated and supported so as to show the nature of each liability.

§ 367.2430 Account 243, Obligations under capital leases—Current.

This account must include the portion, due within one year, of the obligations recorded for the amounts applicable to leased property recorded as assets in account 101.1, Property under capital leases (§367.1011).

§ 367.2440 Account 244, Derivative instrument liabilities.

This account must include the change in the fair value of all derivative instrument liabilities not designated as cash flow or fair value hedges. Account 426.5, Other deductions (§367.4265), must be debited or credited as appropriate with the corresponding amount of the change in the fair value of the derivative instrument.

§ 367.2450 Account 245, Derivative instrument liabilities—Hedges

(a) This account must include the change in the fair value of derivative instrument liabilities designated by the service company as cash flow or fair value hedges.

(b) A service company must record the change in the fair value of a derivative instrument liability related to a cash flow hedge in this account, with a concurrent charge to account 219, Accumulated other comprehensive income (§367.2190), with the effective portion of the derivative's gain or loss.