



# Sarawak Accrual Accounting Implementation

## Differences Between Accrual and Cash

There are mainly four (4) different types of government accounting. Below are the different types of public sector accounting framework currently adopted in Malaysia.

Basis	Description	Government Type
Cash	Transaction and other events are recognized on a cash basis during the year.	N/A
Modified cash	Same as cash basis except that any unpaid accounts and receivables are taken into account for a month after the year end.	Federal, State
Modified accrual	Accrual accounting is used but certain classes of assets (e.g. fixed assets) or liabilities are not recognized.	Local Government, Islamic Council of Malaysia
Accrual	Transactions and economic events are recorded and reported when they occur, regardless of when cash transactions occur.	Local Government, Statutory Bodies



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## Differences Between Accrual and Cash

### Accounting Basis

#### Modified Cash Accounting

Transactions and other events are recognised on a **cash basis** during the year. Additionally, unpaid accounts and / or receivables are also taken into account by keeping the book open for a month after the year end.



#### Modified Accrual Accounting

Transactions and other events are recognised on an accrual basis, but **certain classes of assets and liabilities are not recognised**. A typical example is the expensing of all non-financial assets at the time of purchase. Essentially, accounts payables and receivables will be recognised.



#### Accrual Accounting

Transactions and other events are recognised **when they occur** and not only when cash changes hands, meaning they are recorded in the accounting records and recognised in the financial statements of the periods to which they relate.