ARKANSAS STATE BANK DEPARTMENT
EXAMINATION POLICY

Policy Number	93-04
Effective Date	03/01/93
Supersedes	
Approval	03/20/25

SUBJECT: **Correcting Accounting Treatment for State Bank Department Assessments**

Assessments for state chartered banks in Arkansas are due semi-annually based upon total assets recorded in the bank's Report of Condition for the periods ending June 30 and December 31 of each year. These assessments are based upon the last six months of operation of the institution and, as such, are paid in arears. The correct accounting treatment for this activity would be to accrue this expense with an offsetting liability entry over the six-month period in which the assessments apply and then pay the assessment when billed. It is incorrect to book payment of Bank Department assessments as a prepaid asset and amortize this expense over the six-month period following payment. Assessments booked in this manner should be classified Loss and promptly charged off.

The assessment shall be due and payable in accordance with the statement so furnished and the installments thereof shall be paid within 10 calendar days of the invoice date. The assessment rate is calculated semi-annually and is determined by the Bank Commissioner.