

Offsetting practices

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Identifying and definitional attributes

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Definition: As a general rule, offsetting revenue against related expenditure is not good accounting practice and both gross revenue and gross expenditure should be reported. However, it is recognised that there are circumstances (such as hospital to hospital transfers/services) where offsetting is done to avoid the duplication of costs. Where it is difficult to identify specific costs in relation to inter-hospital transfers, the practice of bringing in revenue to inter-hospital services through recoveries is considered acceptable.