

STATE OF OKLAHOMA
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES
GAAP CONVERSION MANUAL

F. DUE FROM CONVERSION PACKAGE

June 2021

I. PURPOSE AND OBJECTIVES

The ACFR reports all revenues and expenditures for the fiscal year ended on June 30, and the related balance sheet accounts. All revenues and expenditures are initially accounted for on the cash basis by OMES. The purpose of this conversion package is to account for certain revenues and expenditures that are subject to accrual and paid from an agency's fund that is reported in a ACFR fund type that is a different ACFR fund type than your agency's. These amounts will be reported as balance sheet accounts: Due from other funds (an asset account) and Due to other funds (a liability account). These accruals are not included in accounts receivable or accounts payable but are reported separately to show them as related party transactions between agencies in different ACFR fund types within the state.

II. AGENCY ACTION REQUIRED

- A. Carefully read the Key Terms in Part III.
- B. The Due From Summary form should reflect amounts as of close of business on June 30.
- C. Round all dollar amounts to the nearest whole dollar.
- D. All working papers are subject to audit by the State Auditor & Inspector (SA&I). The agency is required to keep a copy of the completed Summary form and all associated working papers for three years after the completion of the SA&I audit.
- E. The person who completes and signs the Summary form should keep a copy. OMES will contact this person if there are any questions.
- F. If needed, call your agency's financial reporting analyst for guidance.
- G. Return the completed summary form to your OMES financial reporting analyst by e-mail **no later than the due date shown on the form**. **If you can return it earlier, please do so.**
- H. If the Summary form does not apply to your agency, check the box in the upper left portion of the summary, complete item (2) and return it to OMES.

III. KEY TERMS

- A. ACFR Fund Type Matrix - A matrix that shows the ACFR fund types and the agencies and funds within agencies that are part of each fund type. See Section 2 C of your GAAP reporting instructions manual.
- B. Due from other funds - (DUE FROM) A receivable for goods or services from a state agency that is reported in a fund type that is different than the reporting agency's fund type. The amount is subject to accrual, has not been collected at June 30, and is due for goods or services provided by the reporting agency. Due from other funds separately reports receivables from related parties within the state (i.e., other state agencies that are classified in separate ACFR fund types). See the ACFR Fund Type matrix.

DUE FROMs do not include:

- * Revenue from a non state source
- * Bond/note proceeds
- * Grant/entitlement revenues
- * Refund proceeds

- C. Due to other funds - (DUE TO) A payable for goods or services to a state agency that is reported in a fund type that is different than the reporting agencies fund type. The amount is subject to accrual, has not been paid at June 30, and is owed for goods or services. Due to other funds separately reports payables to related parties within the state--other state agencies that are classified in separate ACFR fund types. See the ACFR Fund Type Matrix.

DUE TOs do not include:

- * Expenditures to a non state payee
- * Payroll and employee fringe benefits
- * Grant/entitlement expenditures
- * Debt service

IV. SPECIFIC INSTRUCTIONS

A. Preparation of the Data

This package will gather your agency's DUE FROMs and the payor agency's DUE TOs at the same time. There is no separate form for the DUE TOs.

Please note that if your agency has no DUE FROMs or if the amount that another agency owes you is less than \$1,000, you are not required to report these amounts. You must still complete steps (1) through (4) of the Summary and return it to OMES.

Prior to completing steps (5) through (11), you must identify your agency's ACFR fund type(s). Refer to the "ACFR Fund Type Matrix" in Section 2 C of this manual and locate your agency. Your agency is classified into one or more ACFR fund types. If your agency is in more than one fund type, each division and their fund numbers will also be listed. If specific funds and/or ASA's within your agency are not individually listed in the matrix, they are in the General Fund fund type.

Next identify those agencies and funds within agencies that are in a different ACFR fund type. Once identified, these are the only agencies that would have amounts that your agency would report as a DUE FROM. Determine if any of these agencies are classified in more than one fund type. If any are split into more than one ACFR fund type, you may need to contact these payor agencies to determine if that agency is paying your agency from a ACFR fund type that is different than your agency's ACFR fund type.

For example, if your agency ACFR fund type is General Fund (GF), your DUE FROMs cannot be from General Fund (GF) agencies. However, if the payor agency is in General Fund (GF) but also has a fund that is classified as Capital Projects (CP), you will need to check with that agency to determine if the payment will come from a fund that is classified as Capital Projects (CP). If it is, it will be a DUE FROM.

Another example is necessary if your agency is classified in more than one ACFR fund type. The fund within your agency that will be receiving the payment and the ACFR fund type of that fund will determine your DUE FROMs. If your agency ACFR fund type is General Fund (GF), but your class/fund 13000 is separately classified in the Capital Projects fund type, a payment from a General Fund agency that will be received by your class/fund 13000 will be a DUE FROM.

Total the amount of DUE FROMs from each agency by revenue receipt code, major class, first digit (for example, 7000).

Confirm the amount with the payor agency. You may send a written notice of the amount or state it in a phone call to the payor agency. You must receive written or spoken confirmation of the amount from the payor agency. This amount will also be that agency's Due to other funds (DUE TOs). Note the date the amount was confirmed and the name of the person who confirmed it. Keep all documentation of the confirmation as each amount will be subject to audit by the State Auditor and Inspector.

B. Completing the Due from Summary Form

- (1) Enter the Agency ACFR code, name, and funds/accounts to be included on the summary.
- (2) Provide the name, title, phone number and date for each person who completes and approves this summary form. The finance officer or executive director should approve the form before sending it to the Office of Management and Enterprise Services. Keep a copy of the form. When submitting via email it should come from the address of the approving officer. This will act as an implicit electronic signature verifying the form has been reviewed for validity, accuracy, and completeness.
- (3) Answer the question as appropriate. If your answer is "No", check the box in the upper left portion of the summary and return the form to OMES.
- (4) Answer the question as appropriate. If your answer is "No", check the box in the upper left portion of the summary and return the form to OMES.
- (5) Enter the agency number of the agency that owes the DUE FROM to your agency.
- (6) Enter the name of the agency that owes the DUE FROM.
- (7) Enter the amount of the DUE FROM.
- (8) Enter the ACFR fund type of the agency that owes the DUE FROM to your agency. Refer to the ACFR Fund Type Matrix in Section 2 C of this manual for the payor agency's Fund Type Code. Remember, only DUE FROMs from agencies that are a different fund type than your agency need be reported here.

For example, if your agency has a DUE FROM in your General Fund (GF) that is from another agencies General Fund (GF), do not report the DUE FROM.
- (9) Check this space to show the payor agency has confirmed the amount owed to your agency. Confirmation is necessary as it confirms your DUE FROM and also reports a DUE TO for the payor agency.
- (10) Enter the unique summary revenue account code, by agency, used to record the DUE FROM transaction when your agency receives the payment. For example, 470000 for Sales and Services, or 420000 for Licenses, Permits and Fees, etc.
- (11) Provide comments or explanations as needed for any unusual items or circumstances.

C. Working Papers

The agency should keep any documents that support data on the Due From Summary. For example:

- * The source(s) of data for each amount.
- * Procedures used to gather the data.
- * Documentation that the payor agency confirmed the amount, such as the date confirmed and the name of the person who confirmed it.