



# Minnesota Management and Budget Statewide Operating Procedure

Minnesota Management and Budget, Financial Reporting  
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## Financial Reporting of Accounts Receivable

### Objective

To ensure year-end accounts receivable activity is complete and properly reported in the state's Comprehensive Annual Financial Report (CAFR) in accordance with Generally Accepted Accounting Principles (GAAP).

All state agencies are responsible for tracking and reporting accounts receivable information on a quarterly basis, in accordance with MMB Statewide Operating Policy 0501-01 – Managing & Reporting Accounts Receivable. State agencies must report quarterly only those accounts receivable they have recognized and billed. However, some agencies have significant additional accounts receivable balances that meet the definition of accounts receivable according to Generally Accepted Accounting Principles (GAAP) but are unbilled as of June 30. This policy ensures that all material unbilled accounts receivable as of June 30 are reported to Minnesota Management and Budget (MMB) to be included in the state CAFR.

### General Procedures

| Step | Action   | Responsible Party                        | Timeline |
|------|--|--|----------|
| 1.   | Develop the June 30 quarterly accounts receivable file. Email the file and instructions to agencies.   | MMB – General Accounting                 | July     |
| 2.   | Complete the June 30 quarterly accounts receivable file, pursuant to MMB Operating Policy 0501-01 Managing and Reporting Accounts Receivable. This file is the starting point for the supplementary year-end accounts receivable reporting. The June 30 quarterly accounts receivable form will include additional electronic worksheet columns and instructions for reporting the additional accounts receivable and allowance for doubtful accounts. | State Agency Accounts Receivable Contact | July     |
| 3.   | Review the accounts receivable recognition information and definitions in MMB Operating Policy 0104-03 <i>Financial Reporting of Accounts Receivable</i> .   | State Agency Accounts Receivable Contact | July     |
| 4.   | Determine if your agency has significant material unbilled amounts at June 30 that meet the GAAP definition of accounts receivable but have not been reported on the June 30 quarterly report.   | State Agency Accounts Receivable Contact | July     |

| Step | Action  | Responsible Party   | Timeline    |
|------|---|---|-------------|
| 5.   | If significant unbilled amounts exist, complete the supplementary worksheet columns provided as part of the June 30 quarterly file.   | State Agency Accounts Receivable Contact                                      | July        |
| 6.   | Conduct an analysis of accounts receivable activity and determine the appropriate amount to be reported for the allowance for doubtful accounts.  | State Agency Accounts Receivable Contact                                      | July        |
| 7.   | Prior to submission to MMB, review the file to ensure it is complete and accurate. Document this review in writing and complete the agency certification portion of the file. The person reviewing and approving the file should be different from the person performing steps 1-6. | State Agency Accounting Coordinator or manager overseeing accounts receivable | July        |
| 8.   | Submit the supplementary information electronically with the June 30 quarterly accounts receivable to MMB General Accounting.   | State Agency Accounts Receivable Contact                                      | July/August |
| 9.   | Review the June 30 quarterly report for accuracy and reasonableness.  | MMB General Accounting  | August      |
| 10.  | Include June 30 receivable information in the state's Comprehensive Annual Financial Report (CAFR).   | MMB General Accounting  | September   |

## Forms

MMB General Accounting provides a file to each agency quarterly. Contact [GeneralAcctg.MMB@state.mn.us](mailto:GeneralAcctg.MMB@state.mn.us) if you did not receive the file or have questions.

## Related Policies and Procedures

[MMB Statewide Operating Policy 0104-03 Financial Reporting of Accounts Receivable](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-1/0104-03-financial-reporting-ar-policy.pdf)  
(<http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-1/0104-03-financial-reporting-ar-policy.pdf>)

[MMB Statewide Operating Policy 0501-01, Managing and Reporting Accounts Receivable](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-1/0105-01-indirect-cost-policy.pdf)  
(<http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-1/0105-01-indirect-cost-policy.pdf>)

## **See Also**

[Governmental Accounting Standards Board \(GASB\) Statement No. 33, Accounting and Financial Reporting for Non-Exchange Transactions](http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176160029148)

([http://www.gasb.org/cs/ContentServer?site=GASB&c=Document\\_C&pagename=GASB%2FDocument\\_C%2FGASBDocumentPage&cid=1176160029148](http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176160029148))

[GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments](http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176160029121)

([http://www.gasb.org/cs/ContentServer?site=GASB&c=Document\\_C&pagename=GASB%2FDocument\\_C%2FGASBDocumentPage&cid=1176160029121](http://www.gasb.org/cs/ContentServer?site=GASB&c=Document_C&pagename=GASB%2FDocument_C%2FGASBDocumentPage&cid=1176160029121))