SECTION 6: REVENUE
Year-End Accounts Receivable

INTRODUCTION

Year-End Accounts Receivable provides procedures for recording accounts receivable transactions during the reappropriation period (July and August) for revenue earned but not received as of June 30.

All accounts receivable for the prior year must be verified to ensure they are valid as of June 30 and that no additional accounts receivable need to be recorded for the prior year. All revenue earned in the prior year but not received as of June 30 must have an accounts receivable established.

Recording year-end accounts receivable is an ongoing process during July and August and must be completed by August 31.

For more information and the correct asset and revenue accounts to use, refer to the *AKSAS Handy Guide*. Also, refer to the *Alaska Administrative Manual (AAM) 45.040 - Accounts Receivable* and the procedure for *Add Accounts Receivable* in this Section.

AKSAS TRANSACTIONS

130-10: Add Receivable
210-10: Add Agency Receipts
430-25: Accounts Receivable Agency Journal Entry

PROCEDURES

I. **Verify accounts receivable open items on the Open Item File are correct as of June 30.**

A. From the AKSAS Main Menu, access RR - Report Request Maintenance to request a hard copy Open Item Detail (B61002) report for your agency's accounts receivable open items. When the Open Item Detail report is received:

1. Compare the accounts receivable open items with agency receipts. Verify that revenue recorded in each receivable is not yet collected or deposited.

- **If the revenue recorded in the receivable has not yet been collected or deposited:** No further action is necessary.

- **If the revenue has been collected, but not deposited:** Process a 210-10: Add Agency Receipts transaction to record the deposit and liquidate the appropriate accounts receivable open item. Refer to *Add Agency Receipts* in this Section for procedures.

- **If the revenue has been collected and deposited elsewhere than in the accounts receivable open item:** Process a 430-xx: Agency Journal Entry transaction to reverse the deposit and record the deposit to the appropriate accounts receivable open item. Refer to *Change Accounts Receivable* in this Section and to *Section 9: Journal Entries, Correcting Agency Journal Entry* for procedures.

II. Determine if additional accounts receivable open items need to be established.

A. Use the inception-to-date (ITD) standard AKSAS management report (RRN 198381) to match ITD expenditures to ITD restricted revenues to determine the accounts receivable dollar amounts to record for your prior year appropriations.

1. From the AKSAS Main Menu, access RM - Management Reporting to display the Management Reporting Menu screen.

2. On the Management Reporting Menu, enter **198381** in the REPORT REQUEST NUMBER field and your appropriation number and term year in the REPORT NUM and YR fields. If any expenses incurred prior to July 1 will be reimbursed by revenue collected after June 30, go to Step III. Repeat this Step for each appropriation funded with restricted revenue.

B. Review planned receipts for uncollected unrestricted revenue. For unrestricted revenue earned prior to July 1, but not received as of June 30, and if the revenue dollar amount is material, go to Step III.

III. Create an Accounts Receivable shell for each receivable open item to be added.

Refer to *Add Accounts Receivable* in this Section for procedures.

IV. Process a 430-25: Agency Journal Entry to record accounts receivable financial information.

A. Enter data according to the procedures in *Add Accounts Receivable* and the following criteria:

1. **DESCRIPTION LONG** - For accounts receivable open items recording restricted revenue, enter "**Year-End Accounts Receivable AR (#) - AR (name)**," where AR = appropriation. For unrestricted revenue, enter "**Year-End Accounts Receivable - Unrestricted**."

2. **FISCAL PERIOD CODE** - Enter **P** (prior fiscal year).

B. Enter **asset (debit)** information in the **FINANCIAL** line fields. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.

1. **AMOUNT** - Enter the total dollar amount of the receivable as a positive number.

2. **CC** - For accounts receivable open items recording restricted revenue, enter the eight-digit agency collocation code identifying the appropriation. For unrestricted revenue, enter the collocation code identifying the fund.

3. **ACCT** - For restricted revenue enter the five-digit asset (10000 and LLs) account for the AMOUNT entered. For unrestricted revenue, enter 10115 (accounts receivable for unrestricted revenue).

4. Enter data in the **asset (debit)** financial line **OPEN ITEM** fields. When this transaction is processed, the financial coding in this transaction is used to record the financial activity for the accounts receivable open item.

a. **TYPE** - Enter **RC** (Receivable).

b. **NUM** - Enter the open item number of the accounts receivable to be debited by this financial line.

C. Enter **revenue (credit)** information in the **FINANCIAL** line fields.

1.   **AMOUNT** - Enter the total dollar amount of the restricted or unrestricted revenue with a leading minus (-) sign.

2.   **CC** - For restricted revenue, enter the eight-digit agency collocation code identifying the appropriation. For unrestricted revenue, enter the collocation code identifying the fund.

3.   **ACCT** - Enter a five-digit restricted revenue (50000 and LLs) or unrestricted revenue (60000 and LLs) account for the AMOUNT entered.

D.   Press <Enter> to display online errors. Correct errors until the message NO ONLINE ERRORS TO DISPLAY is received. Press <Enter> again to submit the transaction for certification and processing. Refer to the *Appendix* for a list of online errors, warning messages, and corrective actions.

   NOTE: Review any WARNING messages displayed. If these messages do not require correction, press <PF3> to override.

V.   Submit the transactions for certification.

Add receivable and associated agency journal entry transactions require certification. Submit the transactions and related backup to the appropriate individual in your agency for certification according to department procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.

VI.   Verify the transactions processed.

For more information regarding batch maintenance, refer to *Section 4: Financial Transactions & Batch Processing*.

A.   The next morning, check DM - Maintain Batches to determine if the add receivable and associated agency journal entry transactions processed successfully. If a transaction did not process, view the transaction and determine corrective action. If necessary, resubmit the corrected transaction for certification and processing. Refer to the *Appendix* for a list of error messages and corrective actions.

B.   Once the transactions have processed successfully, review the Financial Transaction (FTP) Registers to verify all processed information for the transactions are correct. If the results of a processed transaction are not as intended:

1.   **For the 130-10: Add Receivable transaction**, change the open item using a 130-20: Change Receivable transaction. Refer to *Change Accounts Receivable* in this Section for procedures.

2.   **For the 430-25: Agency Journal Entry transaction**, correct the transaction with an adjusting journal entry. Refer to *Change Accounts Receivable* in this Section for procedures.

VII.   Repeat this process periodically during the reappropriation period.

This process must be repeated during July and August to record receivables for revenue earned prior to July 1, but not received as of June 30; and to record prior Chart of Accounts (COA) year expenditures, which occur during the reappropriation period but are reimbursed by revenue earned in the prior COA year. **All prior year accounts receivable must be recorded in AKSAS by August 31.**

VIII. Archive/file processed transactions.

Maintain copies of the processed transactions and related backup according to department procedures.

ACCOUNTING ENTRIES

By itself, an accounts receivable transaction (130-10) has no financial impact in AKSAS. Financial effects occur when an agency journal entry transaction is recorded for the receivable. Refer to *Add Accounts Receivable* in this Section for accounting entries.