

Yellow Medicine County  
Receivables  
Narrative and Observation  
FYE 12/31/2008

Completed/updated by: Michelle May, County Finance Manager, 11/19/13

Receivables are set up for year-end accrual entries. The departments that typically have receivables are Road & Bridge, Human Services and Finance & Administration (F&A) (miscellaneous revenue). Receivables are set up just like regular cash receipts, but an accrual code is added at the time the receipt is entered into the Cash Register System. Or, the accrual code can be added during the review of the receipts before the receipts are processed in IFS menu 6710. If the accrual code is missed at those points it can still be entered through the work with receipts detail menu option 3530.

The F&A Deputy responsible for finance, the Human Services Fiscal Supervisor, and the Road & Bridge Accountant set up all of the accounts receivable for their respective funds. The F&A Deputy responsible for finance sets up accounts receivable for all other funds.

Identifying Receivables:

The individual responsible for each fund enters the year the revenue covers (i.e. "2007" in the description field for all 2007 receivables received in January and February of 2008) along with any additional information that is necessary when entering the receipts into the 'Cash Register System'. The individual also enters an accrual code "AR for accounts receivable, DFG for due from other governments, and DFF for due from other funds" while entering the receipt.

At the end of each month the F&A Deputy responsible for finance reviews all January and February receipts for missing accrual codes and enters them as needed. Before the January and February receipts are processed in IFS the Human Services Fiscal Supervisor also reviews fund 11 receipts for possible receivables that had 'year' missing in the description.

Final Review

After February 28 each year the Finance Manager prints an accrual code transaction listing for all funds. She/he reviews the list to see that the appropriate accrual codes have been used. She/he also reviews the list for items that may not have the prior year listed in the descriptions and asks the appropriate fund to verify that it should be prior year revenue. An account activity report for January 1st through February 28th is also reviewed for any items marked as prior year that did not receive an accrual code. Also the Finance Manager asks each department or fund to verify larger amounts that are not marked as prior year to determine no accruals are missing. The Finance Manager also compares the receivables the Highway Accountant plans to use in the Highway report with the transaction listing to locate any additional missing receivables or to explain any differences.