

2016 CAFR-1 ACCOUNTS RECEIVABLE INSTRUCTIONS

Important! – Please read these instructions through prior to starting your form.

Accounts receivable, unearned revenue and cash on hand information are collected by Financial Operations for CAFR reporting each year. A **Form CAFR-1** must be completed by each department.

Your form will be out in the VISION website. There you will find the data for your business unit by clicking on the ‘+’ for your Business unit. There is also a requirement for signatures and verification of the data presented by the department.

1. Complete all columns of the CAFR-1. (Instructions for each column are given below.)
2. Complete the certification form. This worksheet is considered the electronic signature for this submission. An “authorized official” refers to department head, business manager, or other individual who is authorized to submit financial reports to the Department of Finance & Management for CAFR purposes.
3. Email the completed spreadsheet to VISION.CAFR@vermont.gov by **September 9, 2016**.

Your department is required to maintain a detail listing to support the receivables reported on the CAFR-1. This listing should be readily available should the receivable be selected for detail testing by the auditor.

The Fund, Deptid and Account listings on the form are based on either receivables in those chartfields reported in the 2015 financial statements or transactions in those chartfields in FY2016. Please insert rows to add any receivables that do not have a Fund, Deptid, and Account already listed.

What should not be reported on the CAFR-1 form?

- VISION Pending items and VISION Billing module receivable balances that were already entered in VISION in FY2016, (such as federal draws).
- The business unit receiving the cash on a TSF journal that has **PY** entered in the Journal Class field.

Columns on the CAFR-1 include:

Column 1 - Total Accounts Receivable – Enter the total amounts owed to the State from private persons, organizations, other governments, or other state agencies for goods or services furnished by the State on or before June 30 and for which payment has not yet been received by the State by June 30.

For accounts where less than 75% of the total receivable has been collected by August 31st (column 2 amount divided by column 1 amount is less than 0.75),

please submit an aged receivable list indicating how old the receivable is (for example: 1 month or less, 2-3 months, 4-6 months, 7 months – 1 year, more than 1 year.)

Column 2 - *Modified Accrual* – Enter the amount of the total accounts receivable (column 1) that was collected in cash by August 31, 2016.

Column 3 - *Allowance for Uncollectibles* – Enter the estimated portion of the total accounts receivable that is not likely to be collected within the next fiscal year.

Column 4 - *Cash on Hand* – Enter any receipts collected by the department thru June 30 that were **not** recorded in VISION in fiscal year 2016.

Column 5 - *Unearned Revenue* – Enter amounts that were previously collected and recorded in VISION prior to June 30 that the Department had not earned as of June 30. Examples:

- *Not earned* - when federal funds were received in advance of spending for an expenditure-driven grant. In this case revenue is not considered earned until after the expenditure occurs.
- *Unearned revenue* may also arise when agencies receive money for licenses or permits prior to June 30, for which the permit period does not begin until July 1.

Column 6 - *Refund of Receipts* – Enter amounts collected by the Department prior to June 30 that are overpayments and are to be paid back, including federal grant questioned or disallowed cost reimbursements.

Do not include amounts that have been paid back through vendor credits on AP vouchers in July through August 2016 that have a PY prefix on the invoice id or invoice date of 6/30/2016 or earlier. These will be identified through the accounts payable accrual process.

Column 7 – *June 30, 2015 Total Receivable* – This amount is the total receivable reported in the 2015 financial statements, including audit adjustments, if any. This is presented for comparison to the amount entered in 2016 column 1.

Column 8 – *2015/2016 \$ Comparison* – This amount is the dollar amount of increase or (decrease) for the amount in Column 1 from the amount reported in the 2015 financial statements (Column 7).

Column 9 – *2015/2016 % Comparison* – This amount is the percentage increase or (decrease) for the amount in Column 1 from the amount reported in the 2015 financial statements (Column 7).

Columns 10 & 11 – *Explanation required for change* – If the amount in Column 8 is more than \pm \$100,000, and the amount in Column 9 is more than \pm 10%, an explanation of the significant change in total receivables is required. Where column 10 indicates ‘YES’ for required explanation, enter the explanation in column 11.

Columns 12, 13 & 14 – *Explanation required for unearned amounts* – If an amount is reported for unearned revenue in column 5, column 12 will indicate “Yes” Where column 12 indicates ‘YES’ for required explanation, enter a description of what the unearned revenue is for and why you received it in advance is being earned in column 13. And in column 14 enter an explanation of how you would earn these unearned revenues. (For example, as you incurred reimbursable expenses you earn the revenue (reimbursement grant), or is there a time restriction related to when the money can be earned)

By **September 9, 2016**, we need to have from your Department:

1. Completed form CAFR-1 – including explanations for any significant variances from 2015 Receivables, and descriptions and explanation for any unearned revenues.
2. Aging of receivables for those lines on the CAFR-1 that have collected less than 75% of the total by August 31st.

Please email the above documents to Email the completed spreadsheet to VISION.CAFR@vermont.gov

For the audit: Please keep detail receivable listings and other supporting documents readily available. The listings must agree to the CAFR-1 totals.

If you have questions, please send an email to VISION.CAFR@vermont.gov or call John Becker at 828-0678.