

**C. REVENUE RECOGNITION
UNBILLED (UR1) BILLED (IN1) CASH RECEIPT (CR)**

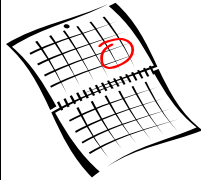
Gerard Cento

Phone: 212/669-8065

Fax: 212/815-8691

E-mail: gcento@comptroller.nyc.gov

Room 808



Critical Dates

- **July 18, 2009** – Last date to enter June (12/09) CRs into FMS (deposit date of 6/30/09 or earlier)
- **September 11, 2009**, – Last date to enter Fiscal Year 2009 IN1s into FMS
- **September 25, 2009** – Last date to enter Fiscal Year 2009 UR1s into FMS

1. **Grant Revenue** (funded by Federal, State and private sources) – should be recognized in the budget fiscal year (BFY) where reimbursable expenses occurred

Receipt of cash is never the basis of recognition for grant revenue.

IN1s (Billed Revenue Invoices) should be entered in FMS **when grantor is billed to recognize revenue and establish a receivable.**

UR1s (Accruals of Unbilled Revenue) should be entered in FMS during year-end month 13 process to recognize revenue earned via reimbursable expenses occurring by 6/30/09 but **not yet billed to grantor.**

Open receivables remain in FMS for each IN1 and or UR1 not referenced by the next step in the revenue chain. UR1 → IN1 → CR

AGENCY'S MUST FOLLOW UP ON OPEN BILLED AND UNBILLED RECEIVABLES, KEEPING THE OFFICE OF THE COMPTROLLER INFORMED OF THESE ACTIONS THROUGH STATUS REPORTS.

See Section E for more on Open Receivables and how to follow up.

2. **Cash Basis Revenue**

Revenues identified as cash basis in FMS are BOTH recognized and realized when a CR is processed in FMS.

Examples include license or permit fees, privileges, fines, taxes, etc.

Cash basis revenue must be received by 6/30/09 to be included in the CAFR as 2009 revenue.

For such receipts received by 6/30/09 but deposited 7/1/09 and later please see section D.

Procedures and Documentation

- **Advice of Revenue Invoice (IN1)**

This document is used to recognize revenue in FMS and to notify the Office of the Comptroller a claim has been filed with the grantor (Do not wait until the funds are received). IN1s should always bear the same date as the underlying claims. IN1s for Fiscal Year 2009 should be entered into FMS no later than September 11, 2009. Use the IN1 comments field to explain how the revenue was calculated. Include an agency contact name and phone number.

- **Year End Accrual of Unbilled Revenue (UR1)**
All UR1s must be entered by September 25, 2009.

After September 11, 2009, agencies must enter a UR1 for their estimate of unbilled revenue for Fiscal Year 2009. Use the UR1 comments field to explain how the estimate was calculated. Include an agency contact name and phone number.

Supporting documentation for unbilled Reimbursable Grant revenue must consist of either a schedule identifying the agency and budget code where the expenditures were incurred or a schedule identifying the FMS documents which established the accrued expenses.

Supporting documentation for unbilled Fee for Service Grants revenue must consist of a schedule identifying the number of unbilled units of reimbursable services rendered multiplied by the reimbursement rate per unit. This schedule must be signed by the preparer and include the preparer's telephone number and E-mail address.

- **Cash Receipts (CRs)**
All CRs for treasury account deposits brought to the bank 6/30/09 or earlier should be entered in FMS by July 18, 2009.

After July 18, 2009 agencies must contact Revenue Staff at the Comptroller's Office to receive credit for June deposits not entered in FMS by July 18th. ALWAYS USE THE ACTUAL BANK STAMP DEPOSIT DATE ON CRs IN FMS.



NOTE:

Please use the comments area on all revenue documents to provide an agency contact name and complete telephone number. For IN1s include a brief explanation of your support for the claim. For UR1s include a description of the estimate process.

To facilitate the audit of grant revenue, please:

- Keep copies of supporting documentation on file at a central office rather than at different locations within the agency. **Notify Jerry Cento of this central location and the name of the agency's primary grant revenue contact person by June 30, 2009.**
- Prepare a schedule for reimbursable grant expenditures, including budget and object codes where the expenditure was charged, and FMS identification numbers of the supporting reimbursable expense documents.
- For "Fee For Service" grants, maintain documentation supporting the calculations of claimable amounts
- For "Expenditure Driven" grants, maintain overhead and fringe benefit calculations.

The Comptroller's Office staff will be verifying compliance with these procedures. The City's entire receivable effort relies upon the care taken in the preparation of these forms. Responsible personnel should make an extra effort to be certain the data is correct before entering or approving receivables in FMS.