

### C. REVENUE RECOGNITION UNBILLED (URE) BILLED (RE) CASH RECEIPT (CRE)

See Appendix 4 for Revenue Monitor Contact List

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#### Critical Dates

- **July 11, 2014** – Last date to enter June month 12 CREs into FMS Accounting (deposit date of 6/30/14 or earlier)
- **August 29, 2014** – Last date to enter Fiscal Year 2014 REs into FMS Accounting
- **September 19, 2014** – Last date to enter Fiscal Year 2014 UREs into FMS Accounting

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.

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

**UREs** (Accruals of Unbilled Revenue) should be entered in FMS Accounting during year-end month 13 to recognize revenue earned via reimbursable expenses occurring by 6/30/14 but **not yet billed to grantor**.

Open receivables remain in FMS Accounting for each RE and or URE not referenced by the next step in the revenue chain. URE → RE → CRE

DEPARTMENT'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 Accounting are BOTH recognized and realized when a CRE is processed in FMS Accounting.

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

Cash basis revenue must be received and **deposited into the bank by June 30, 2014** to be included in the CAFR as Fiscal Year 2014 revenue.

For such receipts received by June 30, 2014 but deposited on July 1, 2014 and later, a **J2D document must be prepared** (please see section D for additional instructions).



**NOTE:**

During the months of July through October when two years are open, please avoid processing revenue realizations in the current year (FY 2015) for prior year (FY 2014) receivables. Month 13 will be open during this timeframe and should be used when processing these types of transactions. Any questions, please contact your revenue monitor.

**Procedures and Documentation**

▪ **Advice of Revenue Invoice (RE)**

This document is used to recognize revenue in FMS Accounting and to notify the Office of the Comptroller a claim has been filed with the grantor (**Do not wait until the funds are received**). REs should always bear the same date as the underlying claims. REs for Fiscal Year 2014 should be entered into FMS Accounting no later than August 29, 2014. Use the RE extended description field on the accounting line to explain how the revenue was calculated. Include Department contact name and phone number in the Document Description field. Attach supporting documentation to the RE document.

▪ **Year End Accrual of Unbilled Revenue (URE)**

All UREs must be entered by September 19, 2014.

After August 29, 2014, Department must enter a URE for their estimate of unbilled revenue for Fiscal Year 2014. Use the URE extended description field on the accounting line to explain how the estimate was calculated. Include Department contact name and phone number in the Document Description field. Attach supporting documentation to the URE document.

Supporting documentation for unbilled Reimbursable Grant revenue must consist of either a schedule identifying the Department and budget code where the expenditures were incurred or a schedule identifying the FMS Accounting 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 (CRE's)**

**All CRE's for treasury account deposits brought to the bank June 30, 201 or earlier should be entered in FMS Accounting by July 11, 2014.**

**Please remember to enter the Record Date (using the actual bank stamped date on the deposit slip); enter the FY and BFY as 2014 with period 12 on the Header to avoid possible misposting.**

After July 11, 2014 Departments must contact Revenue Staff at the Comptroller's Office to receive credit for June deposits not entered in FMS Accounting by July 11 (see appendix 4 for Revenue Contact List). **ALWAYS USE THE ACTUAL BANK STAMPED DATE AS THE DEPOSIT DATE ON CRE's** in FMS Accounting when entering the Record Date.



**NOTE:**

Please attach deposit ticket and bank receipt to the cash receipt as supporting documentation.

Use the Document Description field on all revenue documents to provide Department contact name and complete telephone number. For REs include a brief explanation of your support for the claim. For UREs include a description of the estimate process. For additional space use the Document Name and/or Extended Description fields to provide further explanation.

To facilitate the audit of grant revenue, please:

- **Attach supporting documentation to the FMS documents.**
- Keep copies of supporting documentation on file at a central office rather than at different locations within the Department.
- Prepare a schedule for reimbursable grant expenditures, including budget and object codes where the expenditure was charged, and FMS Accounting 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 Accounting.