

FY2024 GAAP INSTRUCTIONS

DECENTRALIZED DEPARTMENTS' SUPPLEMENT

OVERVIEW OF DECENTRALIZED GAAP REPORTING

This Decentralized Departments' Supplement (Supplement) to the FY2024 GAAP Instructions (GAAP Instructions), has been specially prepared to assist multi-facility departments which handle their day-to-day accounting operations and compile their GAAP reporting at the facility level using MMARS organization codes and/or HR/CMS agency codes. The basic approach is that the central office is responsible for preparing a consolidated GAAP reporting package for the entire department. Each facility submits its GAAP reporting to the central office for review and summarization.

Each GAAP liaison's responsibility for timely and complete GAAP reporting includes understanding the Comptroller's GAAP requirements and communicating this understanding to facility staff. Facilities should refer questions on the GAAP Instructions or on the supplemental procedures outlined here to the central office. The central office can refer any remaining questions to TRGAAPReporting@mass.gov. All communications to and from the Office of the Comptroller should be channeled through the department's central office.

For Fiscal Year 2024, departmental GAAP information is due on August 16, 2024. Thus, central offices need to set due dates for their facilities before then to leave enough time for a complete review and consolidation by the GAAP liaison and other central office staff.

The central offices will prepare special summary schedules, by facility for:

- accounts receivable
- assets held in trust

Per the GAAP Instructions the central office will prepare department-wide forms electronically. Individual facilities will prepare forms for submission to their central office.

METHOD

ACCOUNTS RECEIVABLE

As detailed in the GAAP Instructions, the GAAP AR Report (NAR411WD as of Fiscal Year 2024 Period 99 as of July 15, 2024) reports accounts receivable balances for the department in total. MMARS report NAR411WU, Accounts Receivable and Revenue by Department and Organization (Exhibit 1), is prepared at a unit (ORG) level for facilities.

The central office will supply AR Analysis Forms (GAAP Instructions – on-line form) for central office use and/or for distribution to facilities. The central office will print NAR411WU from MobiusView. Appropriate sections of the NAR411WU will be distributed to the facilities with relevant forms.

Each facility will review its own AR reports according to the procedures outlined in the GAAP Instructions, post any pending AR, uncollectibles and deferred inflow of resources (formerly deferred revenue) to the NAR411WU, and perform the required analysis. The completed NAR411WU and AR Analysis forms will be returned to the central office by the due date it has established.

Central office staff will review each facility's work, and they are responsible for resolving any exceptions. This includes:

- verifying that the documentation is reasonable,
- ensuring that all applicable analysis conditions have been addressed, and
- assessing the reasonableness of any proposed adjustments.

After review, each facility's NAR411WU data will be posted to the Decentralized Department AR Summary Schedule (Exhibit 2). Departmental totals for each revenue source code will be posted to the department's GAAP AR Report (NAR411WD). The GAAP AR Report information will be totaled by revenue category.

Central office staff will prepare the department's overall AR Analysis (on-line form) utilizing the background information provided by facility AR Analysis forms as appropriate. All applicable conditions must be explained.

Central office staff will also compare the department's Fiscal Year 2024 accounts receivable (including pending AR), uncollectible, and deferred inflow of resources balances by revenue category to final amounts for Fiscal Year 2023 and be prepared to explain major fluctuations.

The central office will prepare the department's Methods for Estimating Uncollectible Receivables and Deferred Inflows of Resources form (GAAP Instructions – on-line form). In most cases, the central office will have specified that all facilities use the same method to estimate all uncollectibles and deferred inflow of resources and will have verified this during their review. However, if individual facilities have been allowed to use different methods, or if different methods have been used for different revenue source codes, each method must be described, noting applicable fund(s) and revenue source code(s).

The department's summary-level GAAP forms (GAAP AR Report, AR Analysis form(s) and Methods for Estimating Uncollectibles and Deferred Inflows of Resources form), plus the facility-specific forms and reports and the Decentralized Department AR Summary Schedule, will be forwarded to the Office of the Comptroller.

ASSETS HELD IN TRUST

An Assets Held in Trust form (GAAP Instructions – on-line form) for each facility will be sent to the central office along with the Decentralized Department Assets Held in Trust Summary Schedule (Exhibit 3) for distribution to the facilities. The Fiscal Year 2024 beginning balance for each asset type is the amount the facility reported at the end of Fiscal Year 2023.

Each facility will report its assets held in trust activity and balances at June 30 and provide explanations for significant changes, as described in the GAAP Instructions.

This information will be forwarded to the central office for review and summarization by facility, with department grand totals, on the Decentralized Department Assets Held in Trust Summary Schedule. The central office should explain significant changes at this combined level using the standard criteria noted on the form.

The Summary Schedule, with each facility's Assets Held in Trust form, will be forwarded to the Office of the Comptroller for review.

MATERIALS AND SUPPLIES

If the facility estimates that its materials and supplies have a value greater than \$500,000, the facility should conduct a physical inventory with the date and time noted for potential audit follow-up.

CAPITAL ASSETS

As described by the GAAP Instructions, the capital asset subsystem of MMARS will be used for Fiscal Year 2024 capital asset reporting.

EXHIBIT 1

RUN DATE: 07/12/2023
 RUN TIME: 08:46
 CTRREPT

COMMONWEALTH OF MASSACHUSETTS
 MMARS - MASSACHUSETTS MANAGEMENT ACCOUNTING AND REPORTING SYSTEM

REPORT PAGE: 5
 REPORT ID: NAR411WU
 FY2023

ACCOUNTS RECEIVABLE AND REVENUE REPORT BY DEPT AND UNIT
 THROUGH PERIOD 99 FY 2023 AS OF 07/12/2023

DEPT: XYZ STATE DEPARTMENT
 UNIT: 3430

REV CAT	NAME	REV SRCE	NAME	FY2022 PRIOR YR REVENUE	FY2023 CURRENT YR REVENUE	OUTSTANDING RECEIVABLE AMOUNT	PENDING RECEIVABLE AMOUNT	UNCOLLECTIBLE	DEFERRED
FUND: 0010									
03	FED-G-REIMB	5202	MED TLE XIX	955,048	19,159,812	0			
TOTAL FOR REV CATG:			03	955,048	19,159,812	0			
04	DEPT	3506	DIR/PAT/PAYM	0	0	0			
TOTAL FOR REV CATG:			04	0	0	0			
07	0-REV	4028	RENT/SLDNG	128,166	137,539	26,543			
		6900	MISC	7,089	2,552	0			
TOTAL FOR REV CATG:			07	135,256	140,092	26,543			
TOTAL FOR FUND: 0010				1,090,304	19,299,904	26,543			
FUND: 0300									
		6950	OVERPAYMENT	0	306	-306			
		7200	TR-CONTRIB	91,201	179,060	21,221			
TOTAL FOR REV CATG:			07	91,201	179,366	20,915			
TOTAL FOR FUND: 0300				91,201	179,366	20,915			
TOTAL FOR ORGANIZATION: 3430				1,181,505	19,479,271	47,458			

COMMONWEALTH OF MASSACHUSETTS
 FY2023 DECENTRALIZED DEPARTMENT ACCOUNTS RECEIVABLE SUMMARY SCHEDULE
 DEPARTMENT: _____

NUMBER ___ OF ___

THROUGH PERIOD 99 FY 2023 AS OF 07/12/2023
 MMARS
 FUND: _____ REVENUE SOURCE : _____

MMARS
 FUND: _____ REVENUE SOURCE : _____

MMARS
 FUND: _____ REVENUE SOURCE: _____

FACILITY	UNIT NUMBER	NAR411WU PAGE(S)	PENDING ACCTS REC	FY2023 UNCOLLECTIBLE	FY2023 DEFERRED	PENDING ACCTS REC	UNCOLLECTIBLE	DEFERRED	PENDING ACCTS REC	UNCOLLECTIBLE	DEFERRED
CENTRAL OFFICE											
DEPARTMENT TOTALS:											

DEPARTMENT CONTACTS:

PREPARED BY: _____ Title: _____ DATE: _____ TELEPHONE: _____

APPROVED BY: _____ Title: _____ DATE: _____ TELEPHONE: _____

FACILITY	UNIT NUMBER	JUNE 30, 2021	ADDITIONS	DELETIONS	JUNE 30, 2022
CENTRAL OFFICE	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
DEPARTMENT TOTALS:		=====	=====	=====	=====
PRIOR YEAR TOTALS:		=====	=====	=====	=====

EXPLANATIONS FOR SIGNIFICANT DIFFERENCES IN TOTALS:

- CRITERIA:
1. FY2023 ending balance is \$500,000 greater or less than the FY2022 balance.
 2. FY2023 additions or deletions are more than \$1,000,000 and 10% greater or less than the corresponding amount reported in FY2022

**** ATTACH ADDITIONAL FORMS AS NEEDED****

DEPARTMENT CONTACTS:

PREPARED BY: _____ TITLE: _____

TELEPHONE _____ DATE: _____

APPROVED BY: _____ TITLE: _____

TELEPHONE _____ DATE: _____