



**RIVERSIDE COUNTY
OFFICE OF THE
AUDITOR-CONTROLLER**

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To: Fiscal/Admin Managers and AR Processors

From: Frankie Ezzat, General Accounting Division Chief

Date: June 15, 2009

Subject: **Due From Other Governments New Accounts**

Historically, the County has used accounts 118100-118260 to record transactions related to Due From Other Governments (DFOG). The current chart of accounts structure for DFOG does not allow the distinction between the sources of the receivables. Given the current financial situation that our state and local agencies are facing, it has come to our attention the need to segregate this account by its source (federal, state, city, other). As a result, the Auditor-Controller's Office has established four new Level-4 DFOG accounts and eight new Level-5 DFOG accounts:

118300- Due From Other Governments – Federal

118301-DFOG-Federal-System
118302-DFOG-Federal-YE

118400- Due From Other Governments – State

118401-DFOG-State-System
118402-DFOG-State-YE

118500-Due From Other Governments – City

118501-DFOG-City-System
118502-DFOG-City-YE

118600-Due From Other Governments – Other

118601-DFOG-Other-System
118602-DFOG-Other-YE

Additional subaccounts (level-5 accounts) may be established to roll up to each of the categories above. Departments that need subaccounts must submit a completed Form GL-5-Balance Sheet Account Request to the General Accounting Division, Chart of Accounts, attention Gladys Smith, mail stop 1050.

Effective immediately, all departments are required to use the new account structure for DFOG activity.

We have the following options based on the recording source for each transaction:

ONL (Online)/Pre-Approved Journal Entries:

1. Departments posting transactions through ONL journals and/or pre-approved journal entries may start using the new Level 4 accounts (118x00) for all future DFOG entries.
2. Outstanding balances in accounts 118100-118260 must be reclassified into the new DFOG accounts prior to FY2009 Period 12 closure on July 31, 2009. Please reconcile the balances in accounts 118100-118260, segregate balances by source, and prepare a journal entry to reclassify the balances to the proper new accounts (118300-118600) as applicable.

Billing Module:

1. The Billing Module automatically defaults all activity to account number 112100 (Accounts Receivable-System). However, the user has the option to manually change the default account from 112100 to the desired AR account. In order to properly track the DFOG receivables by source, please override the default account when preparing the customer invoice. In-lieu of 112100, use one of the four new subaccounts 118x01 as appropriate to properly disclose the source of the receivable. **Please note, this is only for amounts due from other governments. You do not need to override the default account 112100 for other non-governmental customers.**
2. Balances outstanding in accounts 118100-118260 originally created through the PeopleSoft Billing Module cannot be reclassified to the new accounts through journal entries. Those transactions will automatically reverse through the AR module upon cash receipt to the original balance sheet accounts. Accordingly those amounts should not be moved manually.

Year End Accruals:

For Year End Schedules, the proper subaccount to record the accrual and reversal is 118x02 as applicable by source.

We thank you for your prompt attention to this request. If you have any questions, please do not hesitate to contact me, Frankie Ezzat at 955-3851, Frank Leonard at 955-3877, or Dolores Reyna at 955-9380.