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MEMORANDUM

To: GAAP Liaisons and Chief Fiscal Officers
From: Pauline Lieu, Assistant Comptroller / Chief Financial Reporting Officer
Date: July 27, 2023
Subject: Fiscal Year 2023 GAAP Instructions

Comptroller Memo FY#2023-25

Executive Summary

These are the instructions for financial reporting in accordance with Generally Accepted Accounting Principles (GAAP). The GAAP Instructions for Departments for FY 2023 provides guidance to departments on reporting year-end activity and obligations to the Office of the Comptroller (CTR). CTR is responsible for publishing the annual financial reports of the Commonwealth.

It is important that information about Commonwealth revenues, receivables, expenditures, obligations, and assets owned is reported consistently and uniformly to meet financial reporting requirements. To facilitate timely preparation of the FY2023 Annual Comprehensive Financial Report (ACFR), the due date for submitting the GAAP package is **Friday, August 18, 2023**. The attachments to this letter can also be found on the CTR website under [GAAP Instructions](#).

Please note that PartnerNet is no longer being used for GAAP reporting. Starting this year, GAAP reporting will be submitted through the Workiva platform (Wdesk). We ask that the CFO and GAAP Liaisons request login access via email to CTRGAAPReporting@mass.gov to create their Wdesk account. CFOs can designate other department personnel to enter GAAP information on Wdesk, by submitting an addition request, via email, with the user's name and email address to CTRGAAPReporting@mass.gov.

If you have questions regarding the GAAP Instructions or GAAP Reporting Wdesk Guide, please contact CTR GAAP Reporting at CTRGAAPReporting@mass.gov.

Thank you for your cooperation.

[GAAP Instructions](#)

[GAAP Reporting Wdesk Guide and Help](#)

cc: MMARS Liaisons, Internal Control Officers, and Internal Distribution

GAAP Instructions for Departments – FY 2023

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Introduction

Executive Summary

The Office of the Comptroller (CTR) flexible work site policy allows CTR staff to work remotely much of the time. Therefore, in many instances in these instructions, ways to access help include both telephone and e-mail contacts. It is suggested that the most efficient method to access CTR help is to send an email requesting a call back with your name, department, contact telephone number and a brief description of the topic for which you need assistance. We can also set up a TEAMS meeting if you need further assistance.

This set of instructions is meant to summarize the various financial information required under various Governmental Accounting Standards Board (GASB) Statements and current policies and procedures posted on the Comptroller (CTR) Web Portal, including but not limited to Capital Assets Guidance.

This guide is divided into five sections: 1) Introduction; 2) Accounts Receivable; 3) Capital Assets; 4) Other GAAP Accruals; and 5) General Information.

Due Date for Submission of Forms

All GAAP information has a uniform due date of **Friday, August 18, 2023**.

Submission in Wdesk

Please note that PartnerNet is no longer being used for GAAP reporting. Starting this year, GAAP reporting will be done through the Workiva platform (Wdesk). We ask that the CFO and GAAP Liaisons request login access via email to CTRGAAPReporting@mass.gov in order to create their Wdesk account. CFOs can designate other department personnel to enter GAAP information on Wdesk, however, these CFO-designated users will need system access. They can request additional access for these additional users by submitting the request via email to CTRGAAPReporting@mass.gov.

When preparing and submitting GAAP packages in Wdesk, there should be a segregation of duties. The preparer and the reviewer of the submission should not be the same individual. By typing a name, that person is certifying the submission has been reviewed, the information is both complete and accurate, and the preparer and reviewer were not the same individual.

Considerations

Throughout the year, the Commonwealth accounts for its financial operations on the statutory basis of accounting, often referred to as the "budgetary basis." The Commonwealth's budget and the Statutory Basis Financial Report (SBFR) follow the accounting principles defined by Massachusetts General Law (MGL).

For its Annual Comprehensive Financial Report (ACFR), the Commonwealth reports in accordance with Generally Accepted Accounting Principles (GAAP) as defined for governments by the Governmental Accounting Standards Board (GASB). The ACFR includes information about the extent of certain future expenditure commitments that have been made in the current and prior years and any revenue earned but not yet collected. The ACFR also includes information about the financial operations of certain independent authorities through which state business is conducted. Prior year ACFRs are available on the [Comptroller's website](#).

Excellence in Financial Reporting—32 Years and Counting!

We have submitted the Fiscal Year 2022 Annual Comprehensive Financial Report (ACFR) for review as part of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program. The past 32 ACFRs have received this award. Such accomplishments are important indicators to the financial community that the Commonwealth continues to meet the highest standards for financial accounting and reporting. This could not have been accomplished without the cooperation and effort of those who prepared the GAAP departmental information included in the ACFR. CTR extends its appreciation for Fiscal Year 2022, and thanks in advance the many individuals who will be working to ensure that the Fiscal Year 2023 effort is completed on schedule. With your help, the Commonwealth's financial reporting will continue to improve.

We also remain committed to making GAAP reporting as efficient as possible. Department cooperation is valued, and we welcome suggestions for further improvement.

Accounts Receivable

Policy

The MMARS policy, "[Receivable Recognition and Reconciliation](#)," as posted on the CTR Web Portal, has guidance on the recognition and reporting of receivables. The Fiscal Year 2023 Accounts Receivable Report (NAR411WD, Period 99 as of July 14, 2023), posted on MobiusView, was posted on July 17, 2023. All Fiscal Year 2023 accounts receivable billing related activity should have been posted to Fiscal Year 2023 by July 7, 2023.

Reporting Requirements

MMARS Reporting - Departments are required to process the appropriate accounts receivable (RE) documents in MMARS to accurately report all Fiscal Year 2023 **Earned Revenue/Accounts Receivable** by July 7, 2023, as outlined in the [CTR Compliance Calendar – Open / Close Dates](#). After July 1, all questions regarding Fiscal Year 2023 accounts receivable documents must be facilitated through CTR's Non-Tax Revenue Team. Accounts receivable transactions (RE or WO) will require approval by the Non-Tax Revenue Team to ensure that they post to the correct fiscal year.

Additional Instructions for GAAP Reporting - On a statutory basis, revenue is generally recorded when the cash is received. Under GAAP, revenue is measured when earned. "Accounts receivable" (A/R) represents additional revenue earned, but not yet recorded on the statutory basis, for services performed or goods provided on or before June 30. **Under GAAP, the receivable exists if the service was performed or the goods were provided on or before the June 30 year-end cut-off, regardless of when the department posts the transactions to MMARS or sends its bills.**

The Accounts Receivable Report (NAR411WD) is department-based and organized by MMARS fund and revenue category, with revenue source code detail. This report, which will be issued on or about July 17 with data as of July 14, displays final Fiscal Year 2022 revenue, Fiscal Year 2023 revenue recorded, and the Fiscal Year 2023 MMARS A/R balance for each revenue source through July 14, to include any rejected documents after the RE roll on July 7. This report also contains blank columns for manual posting of pending accounts receivable, uncollectibles, and deferred inflow of resources (formerly deferred revenue).

The Fiscal Year 2022 Prior Year Revenue Column displays final Fiscal Year 2022 revenues. This amount cannot be changed. As noted above, the Fiscal Year 2023 Current Year Revenue Column will display Fiscal Year 2023 revenue recorded through July 14. Do not change this amount for Fiscal Year 2023 revenue activity recorded after July 14. Departments with Fiscal Year 2023 revenue questions should contact Tim O'Neil of the Non-tax Revenue Team at tim.oneill@mass.gov or (617) 973-2424 for guidance.

Departments must review the information for completeness, identify any uncollectible amounts, record any related pending accounts receivable, and any deferred inflow of resources. Only departments with long billing cycles should have pending receivables.

Analysis – Departments must document their analysis of revenue sources. An explanation **must** be provided whenever a revenue source code meets one or more of the following criteria:

- The change between Fiscal Year 2022 and Fiscal Year 2023 revenue is greater than 10% AND \$10,000,000;
- Fiscal Year 2023 revenue is greater than \$5,000,000 AND there is no accounts receivable amount;

- The receivable is greater than \$2,500,000 AND greater than 10% of Fiscal Year 2023 revenue;
- The uncollectible is greater than \$500,000 AND greater than 10% of the accounts receivable amount; and/or
- The deferred inflow of resources is greater than \$500,000 AND greater than 10% of the accounts receivable amount.

Clear and concise explanations of **all** applicable conditions will limit follow-up questions during the Financial Reporting staff's desk review and/or audit. This will help with timely preparation and publication of the ACFR. Departments should be prepared to explain any fluctuations.

Financial Reporting staff will also compare Fiscal Year 2023 accounts receivable, uncollectible and deferred inflows of revenue balances by revenue category to final amounts for Fiscal Year 2022 and may contact departments for explanations of significant changes. Departments should be prepared to explain any fluctuations.

Note: In cases where the Fiscal Year 2024 cash receipts received are different than the Fiscal Year 2023 receivable, the accounts receivable should be relieved in Fiscal Year 2024. No adjustment should be made to the June 30, 2023 accounts receivable.

Pending Accounts Receivable Reporting – Any pending accounts receivable amount should be posted manually in the “Pending Accounts Receivable” column of the NAR411WD report section provided in Wdesk. The pending accounts receivable represents only receivables for which the department does not process activity on MMARS. The reasons should be noted on the GAAP Package and the department or facility will need to support these amounts with auditable detail. Departments with long billing cycles are reminded to include all unbilled services performed by June 30 as pending accounts receivables and coordinate with CTR’s Non-Tax Revenue Team for guidance.

Uncollectible Amounts – “Uncollectibles” represent the department’s best estimate of the future collectability of accounts receivable. Estimate the amount, if any, for uncollectibles based on the accounts receivable and the method for the calculation. **If the department has uncollectible receivables, record the amount in the uncollectible column on the Accounts Receivable Report (NAR411WD).**

Each department should have a policy in place on the collectability of outstanding receivables. Please describe the method for calculating uncollectible amounts (including summary accounts receivable) on the Fiscal Year 2023 “Methods for Estimating Uncollectible form in the GAAP Package on Wdesk. Examples of acceptable methods are:

- Use of a percent by aging category that corresponds to past collection or disallowance experience, e.g., 5% of the accounts receivable aged for 31-60 days, 10% for 61-90 days and 25% for over 90 days past due.
- All amounts unpaid for more than a certain period, e.g., more than 120 days after the due date.
- Reporting all items in debt collection status as uncollectible in combination with one of the above criteria.

Write-off Guidance - During the course of the fiscal year, departments should follow the Write-Off Guidance presented in the [CTR Compliance Calendar – Open / Close Dates](#). Departments submit potential write-offs via email to the write-off mailbox, NTR-Write-Off@mass.gov, for review and approval. Upon approval, Non-Tax Revenue Team staff will process the write-off transaction (WO) in MMARS. Alternatively, departments can access and use the DocuSign Write-Off powerform, located in the [Electronic Signatures Section](#) on the CTR Intranet site. Per the Closing/Opening Instructions, all Fiscal Year 2023 write-off requests were due by June 30, 2023.

When a department determines that it has a potential Fiscal Year 2023 write-off while reviewing the accounts receivable report, the department should include this amount within its estimated uncollectibles on the accounts receivable report and submit a request for a Fiscal Year 2024 write-off to write-off mailbox, NTR-Write-Off@mass.gov.

Deferred Inflow of Resources - The concept of “deferred inflow of resources” (formerly “deferred revenue”) relates the earning of revenue to the collection of cash. It is the portion of the total receivable as of June 30 that the department expects will take longer than one year to collect. If the department has deferred inflow of resources, record it in the “deferred” column on the Accounts Receivable Report (NAR411WD) to indicate that the cash will not be received prior to June 30, 2024. Deferred inflow of resources does not reduce reported accounts receivable because the revenue has been earned and is collectible.

Please note the method of estimating your deferred inflow of resources on “The Method for Estimating Deferred Inflow of Revenues” form. For example, an invoice for \$100,000 is issued on July 2, 2023 for services provided from June 1 through June 30, 2023; the contract specifies that payment is not due until July 2024. At June 30, 2023, the department would report the \$100,000 as both accounts receivable and deferred inflow of resources. This reflects the fact that the revenue event has occurred, but the cash will not be received for more than a year. **The incidence of deferred inflow of resources in the Commonwealth is rare.**

In order to facilitate desk review and audit, departments should analyze the reasonableness of their GAAP results by asking the following questions:

- Do the three components (accounts receivable, uncollectibles and deferred inflow of resources) make sense in relationship to each other?
- Do receivables make sense in comparison to revenue?
- Did Fiscal Year 2023 revenue, accounts receivable or uncollectibles change significantly from Fiscal Year 2022? If so, why?
- Are any adjustments to the June 30 accounts receivable necessary?
- Have all receivables been reported?

These kinds of questions are asked during review by the Financial Reporting staff in CTR and by our independent auditors – CliftonLarsonAllen LLP (CLA). By performing similar analysis in preparing the GAAP data, departments will reduce subsequent follow-up questions. We recommend that you include your analysis in the GAAP submission where appropriate.

Summary Revenue Event (RE) documents – These transactions are used by departments authorized to maintain their detailed billing, cash receipts and accounts receivable balances on non-MMARS systems. These departments are required to record summary RE documents at least monthly. They must also reconcile their MMARS accounts receivable balances with their subsidiary systems monthly. Departments should follow the write-off procedures described above for summary accounts receivable write-offs.

Interdepartmental Voucher (ITA) Documents – These are used to record the selling and buying of specific goods and services between various state departments. **ITA’s do not generate GAAP interdepartmental receivables.** As listed in the [CTR Compliance Calendar – Close / Open Dates](#), departments should make every effort to complete their Fiscal Year 2023 ITA activity by June 30.

Revenue Category 08 (Other Financing Sources) – This activity includes CTR initiated activity such as proceeds of bond sales and operating transfers that do not ordinarily generate accounts receivable.

Capital Assets

Departments that own capital assets are responsible for recording all acquisitions, betterments, changes, transfers, and dispositions for GAAP capital assets and for performing a physical inventory of all capital assets. The Commonwealth defines acquisition as, but is not limited to, a cash purchase, receipt of a donation, construction, rental, license, term lease, or eminent domain, regardless of funds used. The Commonwealth owns an asset when the full title of the asset rests with the Commonwealth.

Departments should process all capital asset (FA) documents within seven business days of the acquisition of the asset or FA "Shell" generation. In addition, departments are required to process any subsequent capital asset-related documents (FC, FD, FI, FX or FM) in the same timely manner. All Fiscal Year 2023 capital asset activity must be posted to MMARS Period 12, Fiscal Year 2023 by July 7, 2023. Any Fiscal Year 2023 acquisitions paid for in the period July 1 – August 31 should be reflected in Fiscal Year 2023 (Period 13). The last day to post this activity to Period 13 is August 31, 2023.

The FC/FI documents require a CTR Work list approval. To process these documents, copies of the FC/FI "Accounting" page, along with all necessary supporting documentation, should be forwarded to Christine Bender, Financial Reporting Team in CTR.

Intangible Assets - Capital asset inventory should include intangible assets owned by each agency. Governmental Accounting Standards Board (GASB) [Statement No. 51, Accounting and Financial Reporting for Intangible Assets](#), defines intangible assets as assets that possess all of the following characteristics:

- Lack of physical substance
- Non-financial nature
- Initial useful life extending beyond a single reporting period

Examples: patents, copyrights, trademarks, and easements.

Constructed Asset – The costs associated with designing, implementing, or constructing new assets must be captured as Construction in Progress (CIP) prior to the in-service date.

Departments should consider multi-year implementation projects of new software programs as CIP. The Commonwealth utilizes MMARS Program Asset Generation to capture these costs. Please contact Christine Bender if you have questions regarding constructed assets.

For financial statement reporting, GAAP capital assets are determined by certain unit cost thresholds (capitalization threshold), which are outlined in the following table:

GAAP Capital Asset & Minimum Capitalization Thresholds

Asset Type	Type Code	Minimum Capitalization Original Cost Threshold
Building	B	\$100,000
Equipment	E	\$50,000
Works of Art/Historical Treasures/Monuments	H	\$50,000
Infrastructure	I	\$100,000
Computer equipment and software costing more than \$50 thousand but less than \$1 million	K	\$50,000
Land	L	\$0
Software costing more than \$1 million	S	\$1,000,000
Vehicles	V	\$50,000
Patents, Copyrights, trademarks etc., see Fiscal Year Memo # Fiscal Year 2010 – 22.	P	\$50,000

The determination of an asset’s cost includes the original cost of a capital asset when acquired along with any associated ancillary costs required to place the asset into its intended location and condition for use. Usually this is its purchase price or construction cost. If a capital asset is donated, its estimated fair market value at the time of donation is recorded as its original cost.

Capital Asset Inventory Review - Per CTR policy, departments are required to review their capital asset inventory twice during the fiscal year. The mid-year and annual reviews are facilitated through Comptroller Fiscal Year Memos. The annual inventory will be available in early July on MobiusView and must be confirmed by July 31, 2023. The reports used for confirmations are: NGA155SD, NGA155SG and NGA155SN.

Capital Spending Review - This review process requires departments to review spending from capital programs and report to CTR whether the spending will result in a Commonwealth owned capital asset. This review is separate, but is parallel to the Capital Asset Inventory Review process described above. Departments will be required to submit this review twice during the fiscal year.

NOTE: The capital asset and capital spending reviews are not part of the departmental GAAP package reporting. These are separate reviews.

Non-GAAP (Memo Assets) - For internal control and reporting purposes, the Commonwealth defines a non-GAAP capital asset as any piece of equipment, software, vehicle, etc., with an original unit cost less than the minimum GAAP capitalization threshold. All non-GAAP capital assets are required to be inventoried for the fiscal year on June 30, 2023, and recorded in a department’s internal system, with MMARS recording on non-GAAP

capital assets optional. This inventory of non-GAAP capital assets should be retained for internal and external audit purposes.

Capital Assets Guidance - For further capital asset guidance, refer to the following capital asset documents posted on the CTR Web Portal:

1. [Accounting and Management Policy](#)
2. [Acquisition Policy](#)
3. [Impairment of Fixed or Other Assets and Insurance Recoveries](#)
4. [Pollution Remediation liability \(GASB Statement No. 49\) – Fiscal Year Memo # FY 2009 - 28](#)
5. [Intangible Assets – see GASB Statement No. 51](#)

Other GAAP Accruals

Assets Held In Trust

"Assets held in trust" are cash and other assets which the Commonwealth holds in a trustee capacity for third parties. Examples include patient or inmate canteen and gift funds, property, and bank accounts. Departmental detail concerning assets held in trust is ordinarily organized by asset type. For example, all patient bank accounts will be organized together, with detail support showing each individual patient's name and account balance.

Departments with asset balances held in trust of **less than \$500,000** do not need to provide any GAAP detail. Please write "**N/A**" on the Transmittal Form **and** on the Assets Held in Trust Form.

Special GAAP reporting is needed only for those assets that are held at the department/facility/local bank and are not accounted for through MMARS. Funds already deposited with the Treasurer's Office and recorded via a **CR document** should not be reported or they will be double counted.

Method - The department must provide fiscal year 2023 additions, deletions, and ending balances for each asset type. Additions include both new assets and increases to assets held at the end of FISCAL YEAR 2022. Deletions include assets reclaimed by the third-party owner (e.g., the patient), used by the third party, or used on his or her behalf.

The department should provide explanations for significant fluctuations in total assets held in trust according to the following criteria:

- FY23's balance is \$500,000 greater or less than the FY22 balance.
- FY23 additions or deletions are more than \$1,000,000 AND 10% greater or less than the corresponding amount reported in FY2022.

The third-party assets, as well as the department's summary records, should be available for audit examination.

Materials and Supplies

Materials and supplies are consumable items used in departmental operations. Examples include office supplies, medical supplies and repair materials. Materials and supplies are ordinarily maintained in a central storage area where they can be physically safeguarded and where they can also be counted (inventoried) efficiently.

Method - If the department, facility or location estimates that its materials and supplies have a value greater than \$500,000, a physical inventory should be taken between June 20 and the close of business on June 30, with the date and time noted for potential audit follow-up.

Leases

The MMARS policy [Acquisitions Policy](#) on the CTR Web Portal addresses lease contract policy and procedures.

For Fiscal Year 2022, the Commonwealth implemented [GASB Statement No. 87, Leases](#). On a quarterly basis, CTR will send out a list of expired leases tracked in our system. From this correspondence, we ask that you provide documentation for renewal terms or notification that a lease has been terminated. Additionally, on an annual basis, CTR will send out a

comprehensive listing of all current leases tracked under GASB 87 for your department. From that correspondence, we ask that you provide any updates to existing leases, updates to any expired leases (terminated or renewed), and documentation for any new leases during the fiscal year.

GASB 49 Accounting and Financial Reporting for Pollution Remediation Obligations

Reporting Requirements- All agencies and institutions must complete the electronic questionnaire via the GAAP Package in Wdesk. Your submission of the questionnaire is an acknowledgment that you have reviewed your agency's operations for potential pollution remediation obligations.

Summary of the Requirements of the Statement:

GASB issued [Statement No. 49, **Accounting and Financial Reporting for Pollution Remediation Obligations**](#), in November 2006. GASB 49 addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of **existing** pollution by participating in pollution remediation activities such as site assessments and cleanups.

The scope of the document *excludes* pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post-closure care and nuclear power plant decommissioning.

Recognition and Measurement of Pollution Remediation Liabilities:

GASB 49 establishes a framework for the recognition and measurement of pollution remediation liabilities when an agency **knows or reasonably believes** that a site is polluted. The agency should determine whether one or more components of a pollution remediation obligation are recognizable as a liability. This may include any of the following events:

1. The agency or the Commonwealth is compelled to take remediation action because pollution creates an imminent endangerment of public health or welfare of the environment, leaving it little or no discretion to avoid remediation action.
2. The agency or the Commonwealth is in violation of a pollution prevention-related permit or license, such as a federal Resource Conservation and Recovery Act (RCRA) permit or similar permits under general laws.
3. The agency or the Commonwealth is named, or evidence indicates that it will be named by a regulator, (such as the Department of Environmental Protection) as a responsible party or potential responsible party (PRP) for remediation, or as a government responsible for sharing costs.
4. The agency or the Commonwealth is named, or evidence indicates that it will be named, in a lawsuit to compel the agency or the Commonwealth, or the Commonwealth as a whole, to participate in remediation.
5. The agency or the Commonwealth commences, or legally obligates itself to commence, cleanup activities or monitoring or operation and maintenance of the remediation effort. If these activities are voluntarily commenced and none of the obligating events have occurred relative to the entire site, the amount recognized should be based on the portion of the remediation project that the agency or the Commonwealth has initiated and is legally required to complete.

The Commonwealth will calculate the components of the liability (for example, legal

services, site investigation, or required post-remediation monitoring) as they should be recognized as they become reasonably estimable. The estimate of a pollution remediation liability will be evaluated as each of the following benchmarks occurs:

- Receipt of an administrative order;
- Participation, as a responsible party or a potential responsible party (PRP), in the site assessment or investigation;
- Completion of a corrective measures feasibility study;
- Issuance of an authorization to proceed; and
- Remediation design and implementation, through and including operation and maintenance, and post-remediation monitoring.

The Office of the State Comptroller will contact you for the above information should your agency answer the attached questionnaire with a "yes" answer. We will measure the Commonwealth's liability based on the current value of cash flow outlays expected to be incurred for the life of the project.

If the underlying parcel that is subject to these provisions is expected to be sold upon remediation, please also indicate as such.

Vacation and Sick Leave Balances

All Commonwealth departments use the HR/CMS System. CTR will use those reports to calculate compensated absence accruals (for all departments except Higher Education); therefore, no action is needed by departments. Departments are responsible for the accuracy of personnel data and must verify that all accrued vacation, sick leave buyback balances, and compensatory time (if applicable) are recorded on HR/CMS.

When employees earn the right to compensated absence time and can carry it forward from one fiscal year to the next, a liability is created. At year-end, the employer "owes" the employee a certain amount related to past service, which can be calculated from the accumulated amount of unused time earned and the employee's current rate of pay. Under GAAP, the Commonwealth must measure and record this liability. CTR will use the HR/CMS Report HMBEN008 produced on July 6, 2023 to calculate this liability. During the audit, this report will be used to verify compensated absence data. Departments will be contacted if additional analysis is needed.

Accounts Payable

Departments should follow the encumbrance job aid in the [CTR Compliance Calendar – Close / Open Dates](#) with regard to accounts payable. Statutory encumbrances will equal the GAAP accounts payables. However, there are certain exceptions in which a GAAP payable exists (goods have been received or services performed by June 30, 2023), which will require special GAAP reporting. On the statutory basis, these liabilities will be encumbered and paid from Fiscal Year 2023 appropriations, but they must be recognized in Fiscal Year 2023 for GAAP. If a department suspects that such a payable exists, the department should contact the Financial Reporting Team for guidance.

General Information

Decentralized Departments

Departments that report at the facility level will receive a Decentralized Departments' Supplement and the Financial Reporting staff will follow-up with departments as needed to support complete and consistent reporting.

Institutions of Higher Education

Higher Education Guidance will be emailed directly to the Institutions of Higher Education. Please contact Pauline Lieu, Chief Financial Reporting Officer, at (617) 973-2668 if you have any questions concerning Higher Education GAAP reporting requirements.

Audit

Departments must comply with [records retention policies](#) set forth on the [CTR Web Portal](#). Departments should retain a copy of the GAAP information onsite for the Commonwealth's independent auditors and/or the Office of the State Auditor.

Documentation Guidelines

Completed GAAP forms should be signed (or initialed online) by an authorized signatory. Signers will be the primary contacts for follow-up questions from both the Financial Reporting Team in CTR and the independent auditors.

When an amount is estimated, the documentation should include the procedures, assumptions, computations, and methods used to develop the estimate. This documentation should also be readily available for audit review.

Calendar of Events

The calendar of GAAP events is included within the closing calendar detailed in the [CTR Compliance Calendar – Close / Open Dates](#).

Due Date for Submission of Forms

All GAAP information covered in these instructions has a uniform due date that must be met - **Friday, August 18, 2023**.

Information Sources

- Legal Authority - [M.G.L. C.7A](#), [M.G.L. C. 29](#); [U.S. General Accounting Office Standards, Governmental Accounting Standards Board](#)
- Job Aids: Job aids provide step-by-step instructions on how to complete a MMARS document. The job aids are located on PowerDMS.
- Prior year [Annual Comprehensive Financial Reports](#) can be found on the Comptroller's website.

Contacts

Solution Desk--(617) 973-2468 or <http://www.macomptroller.org/solution-desk>.

GAAP Forms: Departments must file their GAAP Package electronically through Wdesk. If you have questions or issues accessing Wdesk, please contact CTRGAAPReporting@mass.gov or Cathy Hunter at cathy.hunter@mass.gov and she will assist you.