

AGENDA

Committee on Finance & Budget

Wednesday, February 19, 2020

6:30 p.m.

Courthouse – Room #1278

721 Oxford Avenue • Eau Claire, WI

1. Call to Order and confirmation of meeting notice
2. Public Comment
3. 19-20/101 – Financial Policy: Revenue Availability – **Discussion/Action**
4. Future meeting and agenda items – **Discussion**
5. Adjourn

Prepared by: Samantha Cole

Please note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language, interpreters or other auxiliary aids. For additional information or to request the service, contact the County ADA Coordinator at 839- 4710 (FAX) 8391669 or (TDD) 8394735 or by writing to the ADA Coordinator, Human Resources Department, Eau Claire County Courthouse, 721 Oxford Ave., Eau Claire, Wisconsin 54703.

FACT SHEET
File No. 19-20/101

The Revenue Availability policy is necessary in order to facilitate appropriate and consistent revenue recognition under the Generally Accepted Accounting Principles (GAAP) modified accrual basis of accounting and for external financial statement presentation. Historically the County has disclosed this policy as a component of the notes to the external financial statements. Best practice, and the recommendation of the County's external auditors, is to formally document the revenue availability practice in the form of a financial policy in addition to the external financial statement disclosure.

Fiscal Impact: None. The County has operated according to this policy in practice through disclosure in the external financial statements.

Respectfully Submitted,

Amy Weiss
Senior Accounting Manager

1 Enrolled No.

2 RESOLUTION

3 File No. 19-20/101

4 - FINANCIAL POLICY: REVENUE AVAILABILITY-

5 WHEREAS, Eau Claire County has promulgated policy and practice for financial
6 management and practice; and

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8 WHEREAS, it is considered prudent to create a comprehensive Financial Policy Manual to
9 establish appropriate practices and procedures based on best practice; and

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11 WHEREAS, said manual will be developed through careful analysis and review of
12 Government Finance Association best practices as relevant to comprehensive financial management;
13 and

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15 NOW THEREFORE BE IT RESOLVED by the Eau Claire County Board of
16 Supervisors, that Financial Policy Revenue Availability be adopted.

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18 BE IT FURTHER RESOLVED that the Eau Claire County Board of Supervisors directs the
19 Finance and Budget Committee to regularly review, update and maintain County Financial Policies
20 consistent with recommended best practices, and forward to the Board for approval.
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25 OFFERED BY:

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27 Committee on Finance and Budget

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37 Dated this _____ day of _____, 2020.
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REVENUE AVAILABILITY

Policy

Under the modified accrual basis of accounting, revenues are recognized when they are earned, measurable, and available. Revenues are considered available if they are collected within the current period, or soon enough thereafter to be used to pay the liabilities of that same period. The County considers general revenues to be available if they are collected within 60 days after the end of the current fiscal period. Certain intergovernmental grant and aid revenue under cost reimbursement programs are recognized when collected within 90 days after the end of the current fiscal period. This period is extended through 180 days for the Aging and Disability Resource Center and the Department of Human Services.

Procedure

All revenues collected within the first 60 days after the end of the fiscal year will be evaluated to determine if they are applicable to goods or services provided in the previous fiscal year. Revenues that have been determined to be for goods or services provided in the prior year will be recorded as revenue and accounts receivable as of the end of the previous fiscal year.

To allow for more accurate matching of revenues with the related expenditures, expenditure-driven (reimbursable) intergovernmental grants and aids received within the first 90 days after the end of the fiscal year will be recorded as revenue and accounts receivable as of the end of the previous fiscal year. This period is extended to 180 days for the Department of Human Services and the Aging and Disability Resource Center.

The County will consider certain prior year intergovernmental grant and aid revenues received subsequent to the applicable availability period, as described above, as accounts receivable and deferred inflows as of the end of the previous fiscal year, so long as the County has a legal and enforceable claim to the funds.