



**STATE OF OHIO
FINANCIAL REPORTING APPROACH — ACCOUNTS PAYABLE**

The Financial Reporting Section staff at the Office of Budget and Management (OBM) relies, in part, on the Ohio Administrative Knowledge System (OAKS) financials module for obtaining data from which the accounts payable balance, as of June 30, can be estimated. The approach for measuring the State's June 30 accounts payable balance includes a review of payments accepted in the OAKS subsequent to the June 30 year-end.

State agency personnel are required to code vouchers with the date when the corresponding good or service was received. This date is known as the "last receipt date." OBM has issued a policy explaining to state agencies how to properly code last receipt dates on vouchers processed in the OAKS. The policy can be found at <http://obm.ohio.gov/SectionPages/FinancialReporting/GAAP/2012/Default.aspx>.

By electronically retrieving data recorded on the appropriate database in the OAKS (i.e., via query), OBM identifies as accounts payable those transactions processed within the 60-day period after year-end (i.e., between July 1 and August 31) with last receipt dates falling prior to or on June 30. From these OAKS downloads and the accounts payable balances reported in the audit reports of the State's Independently Audited Organizations (IAOs), OBM posts accounts payable-related adjustments for the annual financial statement compilation.

OBM financial reporting staff performs additional analysis of transactions processed between September 1 and mid-October to identify through the use of professional judgment any other potentially material accounts payable balances that have not yet been recorded in the financial statements and posts the necessary adjustments after September 30th accordingly.

OBM financial reporting staff posts accounts payable balances by fund and ALI in the MOD_ACCRL ledger for the fund financial statements and by fund and ALI in the FULL_ACCRL ledger for the government-wide financial statements.

Last Reviewed-8/8/12
Last Updated -8/8/12