

STATE OF OKLAHOMA  
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES  
GAAP CONVERSION MANUAL

---

E. TAXES RECEIVABLE AND REFUNDS PAYABLE CONVERSION PACKAGE

June 2021

---

I. PURPOSE AND OBJECTIVES

The ACFR presents the taxes receivable and tax refunds payable on June 30.

II. AGENCY ACTION REQUIRED

- A. Carefully read the key terms in Part III.
- B. The Tax Receivable and Refunds Payable Summary form (summary) should reflect amounts as of close of business on June 30.
- C. Round all dollar amounts to the nearest whole dollar.
- D. All working papers are subject to audit by the State Auditor & Inspector (SA&I). The agency is required to keep a copy of the completed summary form and all associated working papers for three years after the completion of the SA&I audit.
- E. The person who completes and signs the summary form should keep a copy. OMES will contact this person if there are any questions.
- F. If needed, call your agency's financial reporting analyst for guidance.
- G. Return the completed summary form to your OMES financial reporting analyst by e-mail **no later than the due date shown on the form.** **If you can return it earlier, please do so.**
- H. If the summary form does not apply to your agency, check the box in the upper left portion of the summary, complete item (2) and return it to OMES.

III. KEY TERMS

- A. Taxes Receivable are taxes that parties outside state government owe the state at June 30. A receivable is recorded at June 30 for all taxes due on or before June 30 when the agency knows the exact amount or has enough information to reasonably estimate the amount of revenue that will be received, and at June 30, the agency has not yet collected the cash.

Note: Taxes receivable do not include penalties or interest assessed on delinquent taxes. Penalties and interest should be recorded separately in the account receivable conversion package.

- B. Allowance for Uncollectible Taxes Receivable is the portion of taxes receivable that is not expected to be collected. The financial statements show gross taxes receivable less the allowance.
- C. Tax Refunds Payable is a liability account. Report tax refunds payable if at June 30 your agency has collected more taxes than taxpayers owe, and your agency will refund these amounts to the taxpayers after June 30.

- D. Tax Revenue is the amount of taxes levied or assessed and received by the state during the current period or when the revenue is both measurable and available at June 30.

#### IV. SPECIFIC INSTRUCTIONS

##### A. Completing the Taxes Receivable and Refunds Payable Summary Form

1. Enter the agency ACFR code, name and funds/accounts to be included on the summary.
2. Provide the name, title, phone number and date for each person who completes and approves this summary form. The finance officer or executive director should approve the form before sending it to OMES. Keep a copy of the form. When submitting the form via email it should come from the address of the approving officer. This will act as an implicit electronic signature that the form has been reviewed and approved for validity, accuracy, and completeness.
3. Taxes receivables as of June 30 can be estimated by compiling the tax receipts in July and August. Specify by the type of tax. If your agency has a receivable system in place that system should be used.
4. Estimate the amount of tax refunds payable at June 30. Prepare and retain work sheets used in tracking the estimate. Specify by the type of tax.
5. Provide comments or explanations only as needed for any unusual items or circumstances.

##### B. Working Papers

The agency should keep any documents that support data on the summary. For example, agencies should thoroughly document:

- \* Tax receipts journals for July and August.
- \* Worksheets.