



December 21, 2020

TO: ctcLink Conversion Colleges

FROM: Lori Carambot, System Acctg & Reporting Mgr.

SUBJECT: Financial Statement reporting of OST Rec/Pay at conversion year-end

When creating financial statements at the end of a conversion year, the difference in the way that legacy and ctcLink process the VPA reimbursement and the Building and Innovation Fund payments, creates an issue with balancing the financial statements.

In ctcLink, the receivable for the VPA from the State Treasurer is recorded in the system and no manual adjustments should need to be made on the financial statements. This process is detailed in the document located [here](#). However, at the beginning of the year, the college would have had a financial statement only adjustment to record the receivable from the Treasury. When the college received their final VPA request in the new year, this revenue would have been recorded "revenue" account 4310 rather than as a payment on the established received on the financial statements. Upon conversion, all 4310 activity is converted to ctcLink revenue account 4100050. Because there is now revenue related to a prior period in the account, this amount will need backed out. On the SRECNP, reduce 4100050 by the amount of funds relating to the old year but received in the new year.

If instead, money was owed back to the treasury at the previous year end, then the amount remitted would need to be added back to account 4310 (4100050).

This same logic would need to be applied to the building and innovation fees for prior year paid in the financial statement year. The money paid out in the financial statement year for the previous year would need to be added back to revenues.

If you have questions regarding this memo, please contact Lori at lcarambot@sbctc.edu or 360-704-1029.