

OREGON ACCOUNTING MANUAL	
SUBJECT: Accounting and Financial Reporting	Number: 15.35.00.PR
DIVISION: State Controller's Division	Effective date: June 9, 2008
Chapter: Accounting and Financial Reporting	
Part: Revenues and Receivables	
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Applicability

- .101 This procedure describes **generally accepted accounting principles (GAAP)** for exchange transactions and for nonexchange transactions involving financial or capital assets. It does not apply to interfund transactions or interagency transactions.

Recognizing Revenue – Exchange Transactions

- .102 Revenue must be recognized in **governmental funds** using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues must be "susceptible to accrual" in order to be accrued. To be considered "susceptible to accrual," revenue must be both measurable and available to finance current period expenditures. To meet the "available" criteria, it must be legally usable to finance current period expenditures and be collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. For the State, this availability period is 90 days after the fiscal year end. A revenue can be considered "measurable" if: (1) the precise amount is known because the transaction is completed; or (2) the amount can be determined and/or reasonably estimated from other available information. Revenues generally recognized when susceptible to accrual include:
 - a. Charges for sales and services received by the user.
 - b. Interest earnings.
 - c. Significant revenues that are not received at the normal time of receipt.
- .103 Some revenues are recognized in governmental fund types only when received in cash. Revenues where the amount is not measurable until received in cash are:
 - a. Licenses and fees.
 - b. Principal portion of loan repayments.
 - c. Cash sales of goods and services.
- .104 Revenue must be recognized in **proprietary funds** and **fiduciary funds** using the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized in the period in which it is earned and becomes measurable.

- .105 The receivable associated with revenue that is “measurable and available” as described in .102 is a current receivable of the governmental fund, while the remainder is considered a long-term receivable of the governmental fund. However, for government-wide financial statement reporting purposes, the current portion of certain receivables (taxes, for example) will be that portion that is expected to be collected within one year of the balance sheet date. For this reason, additional entries may be needed in the government-wide reporting fund to properly reflect these receivables.

Recognizing Revenue – Nonexchange Transactions

- .106 Nonexchange transactions are recognized based on the class and characteristics of the transaction. It is therefore necessary to analyze the substance of the transaction to determine which class of nonexchange transaction it falls into. Nonexchange transactions must be recognized in the financial statements unless they are not measurable or collection is not probable.
- .107 In addition to specific recognition criteria for each type of nonexchange transaction, revenues and expenditures of nonexchange transactions must be recognized in governmental funds using the modified accrual basis of accounting and in proprietary funds and fiduciary funds using the accrual basis of accounting.
- .108 Since nonexchange revenue is not recognized in governmental funds until it is available, it is possible that the related asset (cash or receivable) will be recognized before the revenue. In this case, the asset must be offset with deferred revenue. Cash or other assets provided in advance must be reported as advances (assets) by providers and deferred revenues (liabilities) by recipients until all recognition requirements have been met.
- .109 Derived tax revenues result when a governmental entity imposes a tax on an exchange transaction. Personal and corporate income taxes, motor fuels taxes, and other assessments based on earnings or consumption are all examples of derived tax revenues. Derived tax transactions are recognized when the underlying exchange has occurred. Revenues must be reported net of estimated uncollectible amounts and estimated refunds payable.
- .110 Imposed nonexchange transactions result when a governmental entity imposes an assessment on a nongovernmental entity and the assessment is based on something other than an exchange transaction. Inheritance taxes, fines, and penalties are examples of imposed nonexchange transactions. Imposed nonexchange transactions are recognized as soon as there is an enforceable legal claim to the resources. The enforceable legal claim is generally based on the agency’s legislative authority to impose and collect the tax or fine. Imposed nonexchange revenues must be reported net of estimated uncollectible amounts.
- .111 Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level. The provider government requires that the receiving government use the resources provided for a specific mandated program. Fulfillment of eligibility requirements is generally also required. A federal grant for a federally mandated program would be included in this class of nonexchange transactions.
- .112 Voluntary nonexchange transactions result from legislative or contractual agreements, other than exchanges, entered into willingly by two or more parties. The provider

frequently establishes purpose restrictions and eligibility requirements. Certain grants and entitlements as well as most donations fall into this category.

- .113 Both government-mandated and voluntary nonexchange transactions are recognized when all eligibility requirements have been met.

Eligibility Requirements

- .114 Eligibility requirements are conditions established by the provider that must be met before funds will be provided. Government-mandated and voluntary nonexchange transactions must be recognized only when all eligibility requirements have been met. Requirements may consist of one or more of the following:
- *Required characteristics of recipients.* Resources are targeted to a specific group. Government-mandated nonexchange transactions usually have this type of eligibility requirement (for example, a federal program that specifies recipients must be states and a portion of the funds must be passed on to secondary recipients who must be school districts).
 - *Time requirements.* The provider specifies that the resources must be used for a particular period or cannot be used until a particular period.
 - *Reimbursements.* Resources are offered on a reimbursement basis; recipients cannot qualify for resources without first incurring allowable costs under the program.
 - *Contingencies.* These apply to voluntary nonexchange transactions only. The provision of resources is contingent on a specific action of the recipient (for example, to raise an equal amount of money or contribute matching funds).
- .115 Routine administrative tasks such as filing claims for reimbursements and filing progress reports are not considered eligibility requirements. Recognition of nonexchange transactions must not be delayed for these types of tasks.

Time Requirements

- .116 When a government is the resource provider for a government-mandated or voluntary nonexchange transaction, and there is no explicit time requirement, the applicable period is assumed to be the immediate provider's fiscal year.

For example: A government with a September 30 fiscal year end provides resources to a government with a June 30 fiscal year end. The recipient government recognizes a receivable on October 1, the beginning of the provider's fiscal year.

- .117 When resources are provided before the time (or other eligibility) requirements have been met, the provider must record the disbursement as an asset (advance to recipients), and the recipient must record the receipt as deferred revenue.

Time Requirement Exceptions – Endowments and Donations of Works of Art

- .118 Endowment-related resources are provided with the stipulation (time requirement) that the resources cannot be sold, consumed, or disbursed until after a specified number of years or the occurrence of a certain event. These resources must be reported as assets and revenues when received, provided all other eligibility requirements have been met.
- .119 Donations of works of art, historical treasures, and similar assets to *capitalized* collections must be recognized as assets and revenues (donations and grants) when received, provided all eligibility requirements other than time requirements have been met.
- .120 Donations of works of art, historical treasures, and similar assets to *noncapitalized* collections must be recognized as revenue, along with an equal amount of program expense.

Purpose Restrictions

- .121 Purpose restrictions specify how the resources may be used. They do not affect the timing of recognition of nonexchange transactions. When purpose restrictions apply to the use of nonexchange revenues, until the funds are actually used for their intended purpose, they are reflected as either a reservation of fund balance (governmental funds) or a restriction of net assets (proprietary funds).

Subsequent Inability to Meet Eligibility Requirements or Purpose Restrictions

- .122 It may become apparent after a nonexchange transaction has been recognized, that resources will not be provided as originally anticipated, or that resources will have to be returned to the provider. This could be because eligibility requirements related to government-mandated or voluntary nonexchange transactions are no longer being satisfied, or because the recipient will not satisfy the purpose restrictions within the time period specified. When it is probable that either resources will not be provided, or resources will have to be returned:
 - a. The provider government must recognize as revenue the amount of the resources that will not be provided but that have already been recognized as expenses/expenditures or the amount of resources already provided that are expected to be returned.
 - b. The recipient government must recognize as an expense/expenditure the amount of resources that have been provided that must be returned or the amount of resources promised (and already recognized as revenue) that will not be provided.

Food Stamps

- .123 Food stamp expenditures must be recognized when the benefits (cash or food stamps) are distributed. In an electronic benefit transfer (EBT) system, distribution takes place when the individual recipients use the benefits.
- .124 Food stamp revenue is recognized at the same time as the expenditures.

Deferred Revenue – Exchange and Nonexchange Revenues

- .125 Deferred revenue is defined in governmental funds as "measurable but not available." Revenues must be deferred when they are received in advance and there is a legal restriction on their use for current period expenditures. When revenues are received in advance and there are no restrictions on their use, revenues must be recorded when cash is received.
- .126 Deferred revenue is defined in proprietary and fiduciary funds as measurable but not earned. Revenues must be deferred when they are received in advance of a completed earnings process. Generally, the earnings process may be completed by either the delivery of goods or services or the compliance with laws or regulations associated with the revenue.
- .127 For example, revenue must be deferred:
- a. When government-mandated or voluntary nonexchange revenues are received before all eligibility requirements have been met. To record deferred revenue:

TC 164 To record revenues received before all recognition criteria have been met

DR 0065	Unreconciled Deposit	xxx	
	CR 1603	Deferred Revenue - Non Doc Supported	xxx
DR 3200	GAAP Revenue Offset	xxx	
	CR 3100	Revenue Control - Cash	xxx
 - b. When revenue associated with receivables in governmental funds has been accrued, but is not available at fiscal year end. For financial reporting purposes, the reserve accounts related to receivables for which revenue is measurable but not available must be reclassified to deferred revenue (SARS reclassifies a portion of the balance in Reserved for Long-term Receivables during financial statement compilation).

Recognizing Revenue in the Hands of an Agent

- .128 Unless considered deferred revenue, money collected by an agent is recognized when received in cash by the agent. For nonexchange revenues, recognition must be based on the criteria appropriate to that class of revenue, either derived tax or imposed nonexchange revenue. At June 30 of each fiscal year, amounts that are measurable and available (governmental funds) or earned but not collected (proprietary funds) must be accrued.
- .129 Fishing and hunting licenses and boat licenses are examples of cash receipts collected by agents external to the State. Any cash receipts collected and in the hands of the agent at June 30 must be accrued as revenue for the fiscal year by the agency receiving the monies from the agent. Accrue the amount received from the agent as of the filing date required in the agency's law, administrative rule, or contract.

TC 436 To establish a receivable and accrue revenue at year end (auto reverses)

DR 0503	Accounts Receivable-Other Unbilled	xxx	
	CR 3105	Revenue Control-Financial Statement Accrual	xxx

Recording Taxes Receivable (pertains to Department of Revenue only)

- .130 Although income taxes withheld from employee wages by corporations and other entities are estimates of the actual personal income tax liability owed to the State, the withholdings must be recognized as revenue, net of estimated refunds, in the accounting period in which it becomes measurable and available. Accordingly, each fiscal year end, an accrual will be made to recognize revenue for all payroll and personal income taxes assessed as of June 30 and estimated to be received on or before September 30 of the same year. This accrual must be reduced by estimated uncollectible amounts and estimated refunds payable as of June 30. Following are examples of recording short-term and long-term taxes receivable in a governmental fund.

TC 436 To accrue personal income tax revenue (auto-reverses)

DR 0410 Taxes Receivable - Current	xxx	
CR 3105 Revenue Control-Financial Statement Accrual (CO 0111)	xxx	

TC 127 To record estimated uncollectible amounts as of June 30

DR 3101 Revenue Control-Accrued (CO 0111)	xxx	
CR 0502 Allowance for Uncollectible Accounts-Current		xxx

TC 907 To record estimated refunds payable as of June 30 (auto-reverses)

DR 3105 Revenue Control-Financial Statement Accrual (CO 0111)	xxx	
CR 1215 Accounts Payable		xxx

TC 460 To accrue long-term taxes receivable

DR 0420 Taxes Receivable - Noncurrent	xxx	
CR 3003 Reserved for Noncurrent Receivables – Other		xxx

Revenue in Suspense Accounts

- .131 If an agency deposits money in a suspense account and determines the actual revenue source at a later date, the agency must reclassify the suspense liability into specific revenue accounts as of the end of the fiscal year. This will ensure revenue is appropriately reported in the State's financial statements.

Merchant Fees

- .132 Merchant fees are discount fees paid by agencies to financial institutions. Financial institutions charge merchant fees, which generally are a small percentage of each credit card transaction, when accepting credit card payments. Merchant fees must be recorded as an expense in comptroller object 4730 and the related credit card revenue must be recorded at the gross amount.

Collection Fees

- .133 Agencies should follow the guidelines provided in OAM chapter 35, Accounts Receivable Management, to determine when accounts receivable may be referred to a collection

agent. **OAM 35.30.30.PO** provides guidance on assignment of accounts for collection to the Department of Revenue's Other Agency Accounts unit. Normally, when a governmental fund receivable is referred to a collection agent, the revenue is no longer considered available. Thus, the current accounts receivable would be reclassified to noncurrent and revenue would be reduced.

- .134 For example, 90 days after a \$1,000 accounts receivable was established in a governmental fund with transaction code 103, an agency refers the account to a collection agent. Accounting entries applicable in this scenario include:

TC 107R To remove the current accounts receivable and reduce revenue

DR 3101 Revenue Control – Accrued (CO 0407 Other Charges for Services)	1,000	
CR 0501 Accounts Receivable Other – Billed		1,000

TC 460 To establish long-term receivable (revenue is not available)

DR 0935 Other Receivables – Noncurrent	1,000	
CR 3003 Reserved for Noncurrent Receivables – Other		1,000

- .135 Collection fees are amounts paid to collection agents for the cost of collecting accounts receivable. Either the Department of Revenue or a private collection firm may be hired by state agencies to pursue collection of past due accounts receivable. Collection agents generally charge a percentage of each accounts receivable balance, although a specific dollar amount may be agreed upon. Collection fees must be recorded as an expense and the related revenue must be recorded at the gross amount. Specific comptroller objects must be used to track the cost of collection agents: 4720 if collected by the Department of Revenue and 4725 if collected by a private collection agent.

- .136 If an agency referred a \$1,000 accounts receivable to a private collection firm that charged a 10 percent fee, the following entries would be recorded (assume a governmental fund and the receivable has been reclassified per .133 and .134):

TC 141 To record collection of an accounts receivable

DR 0065 Unreconciled Deposit		1,000
DR 3003 Reserved for Noncurrent Receivables – Other		1,000
CR 0935 Other Receivables – Noncurrent		1,000
CR 3100 Revenue Control-Cash (CO 0407 Other Charges for Services)		1,000

TC 222 To record payment of collection fee to private firm

DR 3501 Expenditure Control-Accrued (CO 4725 Collection Fees-Private Agent)	100	
CR 1211 Vouchers Payable		100

- .137 If an agency referred a \$1,000 accounts receivable to the Department of Revenue and paid a 10 percent fee, the following entries would be recorded (assume a proprietary fund and the receivable is still on the books):

TC 176 To record collection of an accounts receivable

DR 0065 Unreconciled Deposit	1,000	
DR 3101 Revenue Control-Accrued (CO 0407 Other Charges for Services)	1,000	

CR 0501 Accounts Receivable Other - Billed		1,000
CR 3100 Revenue Control-Cash (CO 0407 Other Charges for Services)		1,000
TC 172R To record payment of collection fee to Department of Revenue		
DR 3500 Expenditure Control-Cash (CO 4720 Collection Fees - DOR)	100	
CR 0065 Unreconciled Deposit		100

Uncollectible Revenues

- .138 Revenues must be reported net of estimated uncollectible amounts. Receivables are recorded at gross and the estimated uncollectible accounts in both governmental and proprietary funds are recorded with the following separate entry to the applicable contra-account:

TC 127 To record estimated uncollectible revenue associated with current receivables in proprietary funds and governmental funds

DR 3101 Revenue Control-Accrued	xxx	
CR 0502 Allowance for Uncollectible Accounts-Current		xxx

TC 461R To record estimated uncollectible revenue associated with Noncurrent Receivables – Other in proprietary funds

DR 3600 GAAP Expenditure Offset (CO 7479 Bad Debt Exp)	xxx	
CR 0934 Allowance for Uncollectible Accounts – Noncurrent		xxx

TC 460R To record an estimated uncollectible for noncurrent receivables in governmental funds

DR 3003 Reserved for Noncurrent Receivables – Other	xxx	
CR 0934 Allowance for Uncollectible Accounts – Noncurrent		xxx

- .139 **OAM 35.50.10.PO** provides guidance on when it is appropriate to write off receivables that cannot be collected. Accounting entries that may be used to accomplish this in both governmental and proprietary funds are:

TC 129/130 To write off an uncollectible current accounts receivable

DR 0502 Allowance for Uncollectible Accounts-Current	xxx	
CR 0501 Accounts Receivable-Other Billed		xxx

TC 445 To write off an uncollectible noncurrent receivable (other)

DR 0934 Allowance for Uncollectible Accounts – Noncurrent	xxx	
CR 093X Noncurrent Receivable		xxx

Insurance Recoveries

.140 Insurance recoveries are only recognized when realized (received) or when realizable (a claim is pending for which the insurer has admitted or acknowledged coverage). Revenues are realized when products (goods or services), merchandise, or other assets are exchanged for cash or claims to cash. Revenues are realizable when assets received or held are readily convertible to cash. Insurance recoveries realized or realizable are usually measurable and available.

.141 With the exception of insurance recoveries realized or realizable in the same fiscal year as a capital impairment loss, all insurance recoveries must be recorded as a reduction of expense using comptroller object 7511, Insurance Recovery Subsequent to Loss. The following entries are applicable to insurance recoveries other than those related to impairments of capital assets, such as for theft or embezzlement of cash or other monetary assets:

To record insurance recoveries realized:

TC 172 Record receipt of insurance recovery in governmental, proprietary, or fiduciary fund

DR 0065 Unreconciled Deposit	xxx	
CR 3500 Expenditure – Cash (c/o 7511)		xxx

To record the accrual of insurance recoveries realizable at fiscal year end:

TC 904 Record estimated unbilled receivable for reduction of expense

DR 0503 Accounts Receivable – Other Unbilled	xxx	
CR 3505 Expenditure – Financial Statement Accrual (c/o 7511)		xxx

Realizable insurance recoveries can also be established with generic receivable transaction code 169 (billed) and adjusted with transaction code 181 (billed).

.142 The GAAP level profiles (D08) established for comptroller object 7511, Insurance Recovery Subsequent to Loss, ensure that insurance recoveries are reported in accordance with generally accepted accounting principles, even though insurance recoveries are treated as a reduction of expense for budgetary purposes. Statewide Accounting and Reporting Services (SARS) will use information provided by agencies through year end disclosure forms to assess whether an insurance recovery should be reported as an extraordinary item.

.143 For accounting guidance regarding insurance recoveries related to capital asset impairments, refer to [OAM 15.60.25.PR](#).

Other Items

.144 GAAP require that certain items be displayed separately in the financial statements. In order to ensure that these items are properly reported, separate comptroller objects have been assigned to them. The following items are recorded using the comptroller objects indicated:

- Contributions to Permanent Funds 2400
- [Extraordinary Items](#) 2450

- **Special Items** 2500
- **Capital Contributions** 2550

Financial Statement Presentation

- .145 In governmental funds, revenues are presented in the statement of revenues, expenditures and changes in fund balances by major source. Other increases in financial resources such as transfers to or from other funds, long-term debt issued, and leases incurred are presented in the “other financing sources (uses)” section of the financial statement.
- .146 In fiduciary funds, revenues are reported as additions to net assets in the statement of changes in fiduciary net assets. In proprietary funds, revenues are reported in the statement of revenues, expenses and changes in fund net assets. Proprietary fund revenues are segregated into **operating revenues** and **nonoperating revenues** and are classified by major source.
- .147 Operating revenues generally result from providing services and producing or delivering goods. Operating revenues include revenue from the sale of goods or services, revenue from internal service operating transactions, interest income from program loans collected as part of a governmental program (not intended to be investments), grants for specific activities that are considered to be operating activities of the grantor government, as well as revenue from taxes, fines, fees, and penalties. Operating revenues may also include investment income, when the activities generating investment income are an integral part of agency operations.
- .148 Nonoperating revenues are presented below the line item for operating income and include items not directly associated with agency operations such as certain investment income and gain on the disposition of assets. Reported separately and in this order after the net total of nonoperating revenues and expenses are capital contributions, special items, extraordinary items, and transfers to and from other funds.
- .149 In the government-wide statement of activities, revenues are recognized on the accrual basis of accounting and are categorized as either **program revenues** or **general revenues**. Contributions to endowments and permanent funds as well as special items, extraordinary items, and transfers to and from other funds are reported separately, and in that order, below general revenues. The net cumulative effect of a change in accounting principle is reported as a restatement of beginning net assets.
- .150 Program revenues are further categorized as either charges for services, operating grants and contributions, or capital grants and contributions. Charges for services are amounts received from parties who purchase, use, or directly benefit from a program. Contributions and grants include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Contributions and grants restricted to capital acquisition or construction are reported as capital contributions and grants. All other contributions and grants are reported as operating contributions and grants. Earnings on investments that are legally restricted for a specific program are also program revenues (operating contributions and grants). Program revenues are presented as a reduction to the cost of the program or function that generated the revenue. General revenues are all revenues that do not qualify as program revenues. All taxes, even

those levied for a specific purpose, are considered general revenues, and are reported by type of tax.

Required Disclosures

- .151 The notes to the financial statements must specify and define the basis of accounting and measurement focus applied to each fund type. This includes a definition of what is considered to be “measurable and available” and a description of the primary revenue sources considered “susceptible to accrual” under the modified accrual basis of accounting.
- .152 Balances of receivables reported on the statement of net assets and the balance sheet may be aggregations of different components, such as balances due from taxpayers, other governments, or customers. When significant components of receivables have been obscured by aggregation, details of the various types of receivables are disclosed in the notes to the financial statements. Balances of receivables may also have different liquidity characteristics. Significant receivable balances not expected to be collected within one year of the date of the financial statements are disclosed in the notes to the financial statements.
- .153 If not apparent from the face of the financial statements, the amount and financial statement classification of insurance recoveries are to be disclosed in the notes to the financial statements.
- .154 Nonexchange transactions, including grants, taxes, and contributions that are not recognized because they are not measurable are to be disclosed in the notes to the financial statements.
- .155 If specific revenues have been formally committed to directly collateralize or secure debt issued by the state, or to directly or indirectly collateralize or secure debt of a component unit, the following information must be disclosed for each period that the secured debt remains outstanding:
 - a. Identification of the specific revenue pledged and the approximate amount of the pledge.
 - b. Identification of, and general purpose for, the debt secured by the pledged revenue.
 - c. The term of the commitment – that is, the period during which the revenue will not be available for other purposes.
 - d. The proportion of the specific revenue stream pledged (if possible to estimate).
 - e. A comparison of the pledged revenue recognized during the period to the principal and interest requirements for the debt collateralized by those revenues.
- .156 The chart below summarizes the classes and timing of recognition of nonexchange transactions.

Summary Chart – Nonexchange Transactions Classes and Timing of Recognition of Nonexchange Transactions

Class Description and Examples	Recognition – Full Accrual	Recognition – Modified Accrual
<p>Derived tax revenues: Assessments imposed by government on exchange transactions.</p> <p>Examples Sales tax Personal income tax Corporate income tax</p>	<p>Assets*: Period when underlying exchange has occurred or when resources are received, whichever is first.</p> <p>Revenues: Period when underlying exchange has occurred. Report advance receipts as deferred revenues.</p>	<p>Assets*: Period when underlying exchange has occurred or when resources are received, whichever is first.</p> <p>Revenues: Period when underlying exchange has occurred and resources are available. Report advance receipts as deferred revenues.</p>
<p>Imposed nonexchange revenues: Assessments imposed by government on nongovernmental entities and on other than exchange transactions.</p> <p>Examples Inheritance tax Most fines and forfeitures</p>	<p>Assets*: Period when an enforceable legal claim has arisen or when resources are received, whichever is first.</p> <p>Revenues: Same period the assets are recognized unless the enabling legislation includes time requirements (and if so, period when resources are required to be used or first period that use is permitted).</p>	<p>Assets*: Period when an enforceable legal claim has arisen or when resources are received, whichever is first.</p> <p>Revenues: Same period the assets are recognized unless the enabling legislation includes time requirements (and if so, period when resources are required to be used or first period that use is permitted). Resources must also be available.</p>
<p>Government-mandated nonexchange transactions: Government at one level provides resources to government at a different level and requires the recipient to use the resources for a specific purpose.</p> <p>Examples Federal government mandates on state and local governments</p> <p>Voluntary nonexchange transactions: Legislative or contractual agreements other than exchanges entered into willingly by all parties.</p> <p>Examples Certain grants and entitlements; most donations</p>	<p>Assets* and liabilities: Period when all eligibility requirements have been met or (for asset recognition) when resources are received, whichever is first.</p> <p>Revenues and expenses: Period when all eligibility requirements have been met. Report advance receipts or payments for use in the following period as deferred revenues or advances, respectively. However, when a provider precludes the sale, disbursement, or consumption of resources for a specified number of years, until a specified event has occurred, or permanently, report revenues and expenses when the resources are respectively received or paid and report resulting net assets and equity as restricted.</p>	<p>Assets* and liabilities: Period when all eligibility requirements have been met or (for asset recognition) when resources are received, whichever is first.</p> <p>Revenues and expenditures: Period when all eligibility requirements have been met. For revenue recognition, resources must also be available. Report advance receipts or payments for use in the following period as deferred revenues or advances, respectively. However, when a provider precludes the sale, disbursement, or consumption of resources for a specified number of years, until a specified event has occurred, or permanently, report revenues and expenditures when the resources are respectively received or paid and report resulting net assets and fund balance as reserved.</p>

*If there are purpose restrictions, report restricted net assets (equity) or, for governmental funds, a reservation of fund balance.