

**APPENDIX 10: GOODS AND SERVICES RECEIVED BUT NOT INVOICED
PROCEDURES AND RESPONSIBILITIES**

A10-1. Purpose: The purpose of this appendix is to identify the procedures and responsibilities referenced in *Chapter 5. Goods and Services Received but Not Invoiced* of the *Accounting Policies Handbook*.

A10-2. Effective Date of These Procedures: August 2016. The policy will be reviewed annually and updated as needed.

A10-3. Responsibilities:

- A. On a quarterly basis, the Office of the Chief Financial Officer's (OCFO) Accounting Center (CFOAC) will compute accruals and submit them to HUD's shared service provider, Treasury's Administrative Resource Center (ARC) for processing and recording in the accounting system.
- B. CFOAC will use the Discover report entitled SAR Accrual Review – Open Obligations.
- C. The file will be sorted to isolate contractual obligations and a threshold of \$100,000.00 will be used to capture material contract expenses. A formula will be used to compute the Life To Date (LTD) expense of the contract. The formula will compute the expense incurred to date based on the performance start date of the contract. The number of months that should be expensed by the end of the quarter will be computed and then multiplied by $\frac{1}{12}$ of the original obligation amount.
- D. On the week prior to quarter end, the CFOAC will run the SAR Accrual Review – Open Obligations report and provide the LTD expense.
- E. The file will then be sent to ARC for processing. ARC will use the LTD amount provided by CFOAC and reduce it by any paid invoices to compute the actual accrual amount.
- F. ARC will upload the file and process to record an accrual against each obligation in the accounting system using the following posting model.

ARC USSGL	Description
Dr 61000001	Operating Expenses/Program Costs
Dr 48010001	Undelivered Orders - Obligations, Unpaid
Dr 31070001	Unexpended Appropriations - Used
Cr 21100002	Accounts Payable - Receipt Accruals
Cr 49010001	Delivered Orders - Obligations; Unpaid
Cr 57000001	Expended Appropriations - Expensed

- G.** CFOAC will receive confirmation of posting and review the General Ledger to ensure accruals were posted.
- H.** CFOAC is will maintain the spreadsheets used to compute the accruals for goods and services received but not invoiced.