

September 1997

To: New York State County Fiscal Officers
From: New York State Office of the State Comptroller, Division of Municipal Affairs
Subject: Accounting for the Intergovernmental Transfer (IGT)

Please give copies of this bulletin to others who need this information. If you have accounting questions, contact the Bureau of Municipal Accounting Systems at (518)474-6023.

This bulletin updates our November 1996 bulletin based on changes in the operation of the IGT program. In July, Mr. Nicholas Meister, Director of Medicaid Financial Management in the New York State Department of Health sent a letter explaining these changes to county executives with copies to chief fiscal officers, budget officers, and social services commissioners. In September, he sent a letter with the schedule and amounts of IGT payments. If you have questions on the IGT program, please call the Department of Health at (518) 474-8446. The following entries illustrate how to account for IGT transactions for public nursing homes. Counties that operate public hospitals should record the IGT payments as illustrated below using revenue account E1635-Hospital Income.

| <u>General Ledger (Subsidiary Ledger) Account Codes and Titles</u> | <u>Debit</u> | <u>Credit</u> |
|--|--------------|---------------|
| <i>Entry 1 - To record debit to the county account for the 50% non-federal share of the IGT:</i> | | |
| A522 Expenditures (A6102-Medical Assistance MMIS) | 50 | |
| A200 Cash | | 50 |
| <i>Entry 2 - To record credit to nursing home account for receipt of IGT (100%):</i> | | |
| A391 Due From Other Funds | 90 | |
| A631 Due to Other Governments | | 40 |
| A980 Revenues (A2772 - Intergovernmental Transfer) | | 50 |
| E200 Cash | 100 | |
| E630 Due to Other Funds | | 90 |
| E980 Revenues (E1650-Public Nursing Home Income) | | 10 |
| <i>Entry 3 - To record settlement of interfund liability:</i> | | |
| A200 Cash | 90 | |
| A391 Due from Other Funds | | 90 |
| E630 Due to Other Funds | 90 | |
| E200 Cash | | 90 |
| <i>Entry 4 - To record the debit to the county account for payment due to NYS (40%):</i> | | |
| A631 Due to Other Governments | 40 | |
| A200 Cash | | 40 |

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