



**State of Connecticut
Department of Developmental Services**

Dannel P. Malloy
Governor

Jordan A. Scheff
Commissioner

Peter Mason
Deputy Commissioner

Operations Memo 2019-08

TO: Purchase of Services Contracted Private Providers

FROM: David David, Director of Service Development and Support, Operations Center

CC: Jordan Scheff, Commissioner, Peter Mason, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, Scott McWilliams, Chief of Fiscal/Administrative Services, Regional Directors, Assistant Regional Directors, Resource Administrators, The Alliance, The Arc CT

DATE: September 24, 2018

SUBJECT: Reporting Bridge Funding on Financial Statements

After receiving several questions from providers and auditors, the Department of Developmental Services (DDS) would like to clarify its expectation of how the Bridge Funding should be reported on financial statements.

In accordance with the definition from accounting literature, the Bridge Funding is considered an Advance Payment [Government advances of cash as a revolving fund or against the final payment due under an agreement. [ARB 43, paragraph Ch. 11A Par. 9, sequence 333]].

Providers must enter the Bridge Funding amount listed on the DDS Payment Letter as an offset against the DDS accounts receivable. A note, similar to the example below, should be made in the footnotes of the financial statements identifying the offset as DDS Bridge Funding.

	2018	2017
	<hr/>	<hr/>
DDS accounts receivable	\$2,638,195	\$2,236,785
Less DDS Bridge Funding	<hr/> (728,100) <hr/>	<hr/> - <hr/>
Net DDS receivable	1,910,095	2,236,785
Other receivables	625,846	129,773
Less allowance for doubtful accounts	<hr/>	<hr/>

	<u>(75,089)</u>	<u>(122,591)</u>
Accounts receivable, net	<u>\$2,460,852</u>	<u>\$2,243,967</u>

If you have any questions, please contact David David at David.David@ct.gov or (860) 418-6040.