



STATE OF RHODE ISLAND
DEPARTMENT OF ADMINISTRATION
Accounts and Control

MEMORANDUM

TO: CFOs

DATE: November 25, 2025

FROM: Director Dorothy Pascale

SUBJECT: Federal Draw Downs

The purpose of this memo is to explain the new accounting for federal draw downs. As you are aware this is new functionality that did not exist in RIFANS. Many are asking how it works. Here is a brief explanation without accounting lingo.

A. Agency incurs and pays a federally supported expense.

Workday performs the following one right after the other:

1. Records expense and removes cash to pay the bill
2. Adds the expense to Unbilled Expenses (holding account in your language) and records the revenue - the related revenue recognized when expense incurred (this is new)

B. Agency runs the report and draws down the federal funds.

Workday performs the following one right after the other:

1. Records Accounts Receivable and reduces the related Unbilled Expense account.

C. Agency receives payment of requested draw

1. Records cash in bank, reduces the related accounts receivable (to zero).

End of day = Cash/Revenue are properly recorded – Accounts Receivable/Unbilled zero out (theoretically)

Notes:

1. The timing of each of the steps above is critical to what is available to reports. This is particularly true towards the month end. For example: Expense incurred/paid last day of month, but federal draw down report not run until second day of following month results in a balance to Unbilled Expenses.
2. Audit fees will be assessed on balances that have step A.2. is completed. (this is also new)

Thankyou in advance for your cooperation.