

BARS Alert – February 7, 2023



Office of the
Washington
State Auditor
Pat McCarthy

Opioid lawsuit settlement – BARS coding, accounting, and reporting

Who this applies to the following Cash basis governments

Cities, Counties and Towns that joined Washington State under a resolution with three companies that were found responsible for fueling the opioid epidemic. The local governments that joined the resolution will start receiving payments Dec. 1, 2022, from the settlement administrator.

For information on spending settlement funds

As independent auditors, SAO staff are unable to provide detailed guidance on how to spend these funds. A [press release](#) from the Attorney General's Office lists approved strategies for using the funds, and notes that local governments' spending decisions must be consistent with the state [Opioid and Overdose Response Plan](#). For specific questions about appropriate use of funds, how they will be distributed, or contingency measurement changes; please contact Jeff Rupert, Complex Litigation Division Chief at the Office of the Attorney General, at jeffrey.rupert@atg.wa.gov.

Purpose of the alert

This alert provides information on BARS coding, accounting, and reporting for the opioid settlement.

Detailed guidance

BARS Coding: governments receiving this revenue should use BARS code 369.40 – Judgments and Settlements when recording these funds as revenue into their accounting system. Generally, this resource will be reported as miscellaneous revenues in the financial statements.

Cash basis accounting and reporting:

Record revenue when cash payments are received as follows:

Cash		debit	
	Revenue (369.40 judgment/settlement)		credit

Your government should report a restricted cash and investment balance for any amount of revenue recorded that remains unspent at fiscal year-end.

Questions?

If you have questions related the opioid settlement, please contact Jeff Rupert, Complex Litigation Division Chief at the Office of the Attorney General, at jeffrey.rupert@atg.wa.gov.

If you have questions related to the BARS coding, accounting, or reporting please use the [SAO Helpdesk](#).