YE - A-10 ADJUSTMENT FOR DISHONORED CHECKS

Source Documents: Dishonored Check Log

Bank debit notice of dishonored check

Trial Balance

Module: General Ledger (GL)

Roles: GL Journal Processor

GL Journal Approver

Purpose: Departments are required to account for dishonored checks by using transactions to adjust the nominal accounts during the year. This involves adjusting the nominal accounts by recording transactions to reimburse the bank for the dishonored check and establishing a receivable in the Accounts Receivable Dishonored Checks with an offset to Provisions for Deferred Receivables. At year-end, the A-10 entry is required for dishonored checks considered to be collectible during the next year. The A-10 entry removes the **collectible** dishonored checks from Provision for Deferred Receivables and reflects the amount in the appropriate nominal account.

Record the A-10 entry in period 998 within the General Ledger module.

The credit account will be the same account to which the check was originally posted. The year-end adjusting entries are as follows:

Debit 1290000 Provision for Deferred Receivables*

Credit 201XXXX Due to Other Funds/Appropriations**

Credit 205XXXX Revenue/Reimbursements Receipt in Advance Collections

Credit 2090110 Uncleared Collections - State Fund

Credit 41XXXXX Revenue

Credit 48XXXXX Reimbursements

Credit 5XXXXXX Appropriation Expenditures

Credit 5901000 Refunds to Reverted

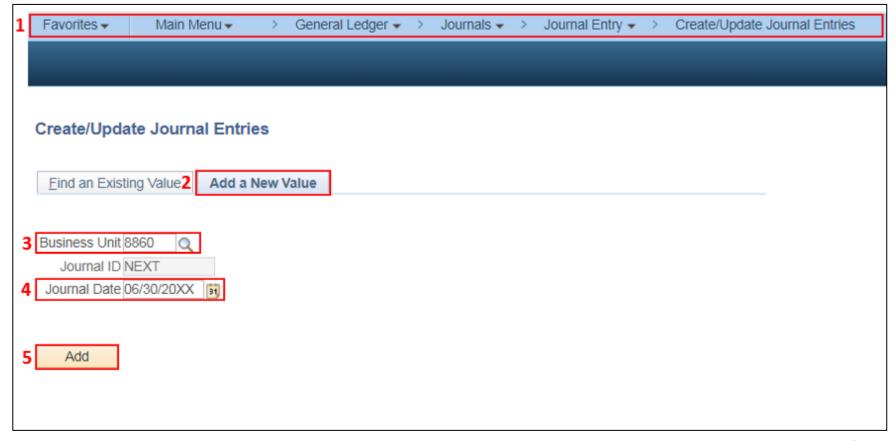
*Use the statewide standard Alternate Account 1200150998 - Provision for Deferred A/R-Dishonored Checks with your debit entry to Provision for Deferred Receivables. The total amount of each Alternate Account must not exceed the corresponding receivable accounts. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File.

**Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must include values in the "Affiliate" (BU) and "Fund Affiliate" (Fund) fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

Departments should use the auto-reverse function to reverse A-10 entries in the new fiscal year.

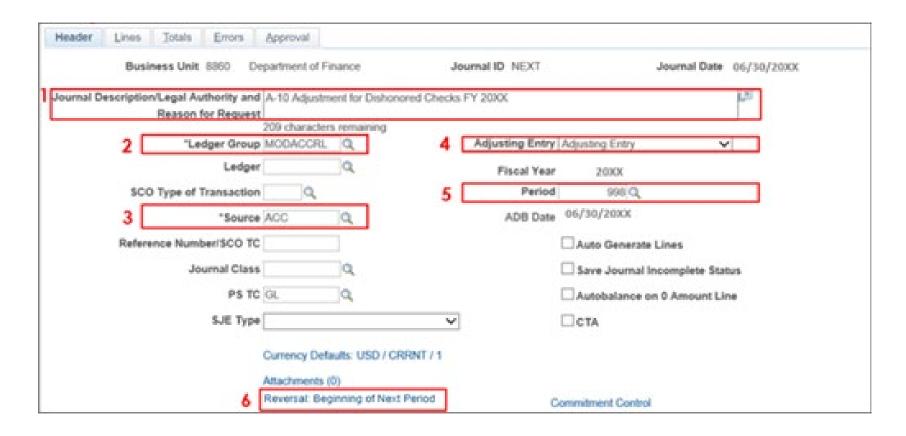
To enter the A-10 journal entry, the **GL Journal Processor** will create a new journal.

- 1 Navigate to Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries
- 2 Click Add a New Value tab
- 3 Enter your Business Unit
- 4 Enter a Journal Date of 6/30/20XX for the fiscal year ended
- 5 Click Add



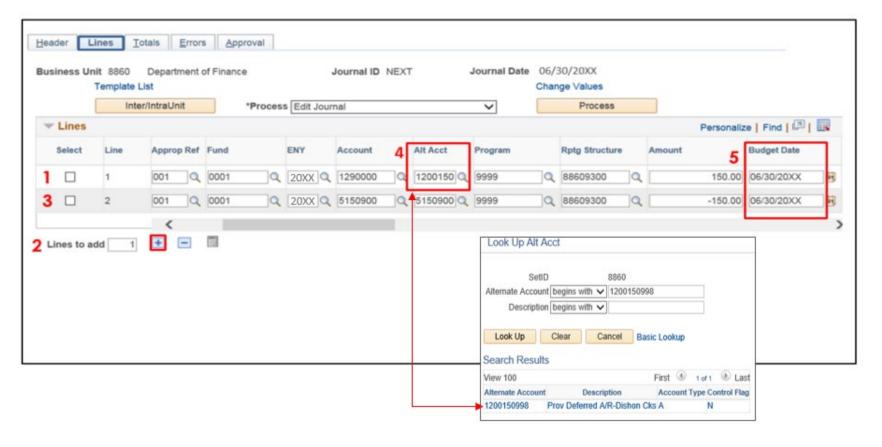
The GL Journal Processor will create the journal Header.

- 1 Enter a Journal Description/Legal Authority and Reason for Request. Begin the description with A-10 Adjustment for Dishonored Checks FY 20XX (example below)
- 2 Ledger Group will default to MODACCRL
- 3 Enter ACC as the Source
- 4 Click the Adjusting Entry drop-down and select Adjusting Entry
- 5 Period will default to 998
- 6 Click on Reversal: and select Beginning of Next Period, click OK



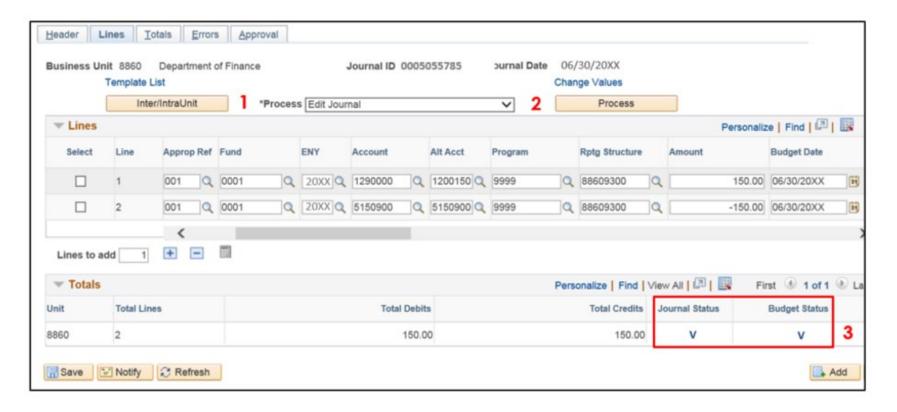
The GL Journal Processor will enter the journal Lines.

- 1 In the **Lines** tab, enter the debit line to record: Approp Ref, Fund, Account, Alt Acct, Program, Rptg Structure, Amount, and any additional ChartFields as shown on the original AR Item
- 2 Click the + to add a line
- 3 Enter credit line based on the appropriate account shown on slide 2
- 4 When using the Account 1290000, use the Alternate Account 1200150998
- 5 Review the Budget Date to verify it corresponds to the Enactment Year



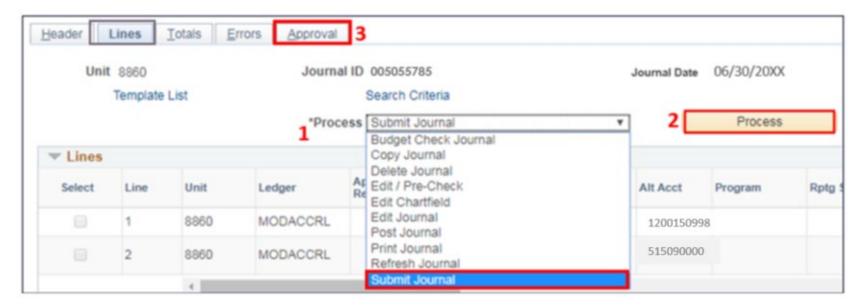
The GL Journal Processor will run the Edit Journal process.

- 1 Select Edit Journal is selected in the *Process drop-down menu.
- 2 Click **Process**
- 3 Check the **Journal Status** and **Budget Status** show "V" for Valid. The system will assign a Journal ID. Note the Journal ID on the source document for reference.



The GL Journal Processor will run the Submit Journal process.

- 1 Select **Submit Journal** from the *Process drop-down menu.
- 2 Click **Process**. The GL Journal Approver will receive an automatic notification of the journal.
- **3** Click the **Approval** tab and view the journal workflow. The journal will show as Pending until approved.



The GL Journal Approver will approve the journal.

Follow the steps in Job Aid FlCal.094 – Approving a GL Journal to approve the journal. Once the GL Journal Approver has approved the journal, the GL Journal Processor will post the journal.

Reminders:

- Record adjustment entries in period 998, Source: ACC, and Adjusting Entry: Adjusting Entry.
- Journal lines posted to Account 1290000 must use the Alternate Account 1200150998.
- Journal lines posted to Account 201XXXX Due to Other Funds/Appropriations must include values in the Affiliate and Fund Affiliate fields.
- Departments should use the auto-reversal functionality for reversing year-end adjustment entries in the new year.