

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 screenshot shows the 'Create/Update Journal Entries' page. A red box labeled '1' highlights the breadcrumb navigation: Favorites > Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries. Below this, the page title 'Create/Update Journal Entries' is displayed. A horizontal bar contains two buttons: 'Find an Existing Value' and 'Add a New Value', with a red box labeled '2' around the latter. Below the bar, there are three input fields: 'Business Unit' with the value '8860' and a search icon, a 'Journal ID' field with the value 'NEXT', and 'Journal Date' with the value '06/30/20XX' and a calendar icon. A red box labeled '3' is around the 'Business Unit' field, and a red box labeled '4' is around the 'Journal Date' field. At the bottom, there is an 'Add' button, with a red box labeled '5' around it.

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 screenshot shows the 'Header' tab of the GL Journal Processor. The form contains the following fields and options:

- Business Unit:** 8860, **Department of Finance**
- Journal ID:** NEXT, **Journal Date:** 06/30/20XX
- 1** **Journal Description/Legal Authority and Reason for Request:** A-10 Adjustment for Dishonored Checks FY 20XX (209 characters remaining)
- 2** **Ledger Group:** MODACCRL
- Ledger:** (empty)
- SCO Type of Transaction:** (empty)
- 3** **Source:** ACC
- 4** **Adjusting Entry:** Adjusting Entry
- Fiscal Year:** 20XX
- 5** **Period:** 998
- ADB Date:** 06/30/20XX
- Reference Number/SCO TC:** (empty)
- Journal Class:** (empty)
- PS TC:** GL
- SJE Type:** (empty)
- Auto Generate Lines
- Save Journal Incomplete Status
- Autobalance on 0 Amount Line
- CTA
- 6** **Reversal:** Beginning of Next Period
- Currency Defaults:** USD / CRPNT / 1
- Attachments (0)**
- Commitment Control**

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 screenshot displays the 'GL Journal Processor' interface. At the top, there are tabs for 'Header', 'Lines', 'Totals', 'Errors', and 'Approval'. The 'Lines' tab is active. Below the tabs, the following information is displayed: Business Unit 8860, Department of Finance, Journal ID NEXT, Journal Date 06/30/20XX. There are buttons for 'Inter/IntraUnit', '*Process Edit Journal', and 'Process'. A 'Lines' table is shown with two entries:

Select	Line	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
1	1	001	0001	20XX	1290000	1200150	9999	88609300	150.00	06/30/20XX
3	2	001	0001	20XX	5150900	5150900	9999	88609300	-150.00	06/30/20XX

Below the table, there is a 'Lines to add' section with a value of 1 and a '+' button. A 'Look Up Alt Acct' dialog box is open, showing the following details:

- SetID: 8860
- Alternate Account: begins with 1200150998
- Description: begins with
- Buttons: Look Up, Clear, Cancel, Basic Lookup

The 'Search Results' section shows:

Alternate Account	Description	Account Type	Control Flag
1200150998	Prov Deferred A/R-Dishon Cks A		N

Red boxes highlight the 'Alt Acct' field in the journal entry (containing 1200150) and the 'Budget Date' field (containing 06/30/20XX). A red arrow points from the 'Alt Acct' field in the journal entry to the search results in the dialog box.

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 screenshot displays the 'GL Journal Processor' interface. At the top, there are tabs for 'Header', 'Lines', 'Totals', 'Errors', and 'Approval'. Below the tabs, the following information is shown: Business Unit 8860, Department of Finance, Journal ID 0005055785, and Journal Date 06/30/20XX. There are buttons for 'Template List' and 'Change Values'. A dropdown menu for '*Process' is set to 'Edit Journal', and a 'Process' button is visible. Below this is a table with columns: Select, Line, Approp Ref, Fund, ENY, Account, Alt Acct, Program, Rptg Structure, Amount, and Budget Date. The table contains two lines: Line 1 with a debit of 150.00 and Line 2 with a credit of -150.00. Below the table is a 'Lines to add' section with a value of 1. At the bottom, there is a 'Totals' section with columns: Unit, Total Lines, Total Debits, Total Credits, Journal Status, and Budget Status. The 'Journal Status' and 'Budget Status' are both 'V', which are highlighted with a red box and labeled with a red '3'. At the bottom of the interface are buttons for 'Save', 'Notify', 'Refresh', and 'Add'.

Select	Line	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
<input type="checkbox"/>	1	001	0001	20XX	1290000	1200150	9999	88609300	150.00	06/30/20XX
<input type="checkbox"/>	2	001	0001	20XX	5150900	5150900	9999	88609300	-150.00	06/30/20XX

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	150.00	150.00	V	V

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 screenshot displays the 'Approval' tab of the GL Journal Processor. The interface includes a header with tabs for 'Header', 'Lines', 'Totals', 'Errors', and 'Approval'. The 'Approval' tab is selected and highlighted with a red box and the number '3'. Below the header, the 'Unit' is 8860, 'Journal ID' is 005055785, and 'Journal Date' is 06/30/20XX. A dropdown menu labeled '*Process' is open, showing a list of actions: 'Submit Journal', 'Budget Check Journal', 'Copy Journal', 'Delete Journal', 'Edit / Pre-Check', 'Edit Chartfield', 'Edit Journal', 'Post Journal', 'Print Journal', 'Refresh Journal', and 'Submit Journal'. The 'Submit Journal' option at the bottom of the list is highlighted with a red box and the number '1'. To the right of the dropdown menu, a yellow 'Process' button is highlighted with a red box and the number '2'. Below the dropdown menu, there is a table with columns for 'Select', 'Line', 'Unit', 'Ledger', and 'Ap Re'. The table contains two rows of data: Line 1 with Unit 8860 and Ledger MODACCRL, and Line 2 with Unit 8860 and Ledger MODACCRL. To the right of the table, there are fields for 'Alt Acct' (1200150998) and 'Program' (515090000).

The **GL Journal Approver** will approve the journal.

Follow the steps in Job Aid FICaI.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.