

Debit/Credit Memo Procedure

Effective Date 2/1/2004
Updated 4/30/2007

The Treasurer's Office together with Financial Operations is changing the process of handling debit/credit memos. A debit/credit memo is received from the bank each time an adjustment is made to the State's bank accounts. Usually these changes result from an incorrect deposit or a returned check. A new suspense account and Agency fund have been set up specifically for this activity. The suspense account number is **101096** and Agency fund is **63096**. Both are titled "**DR/CR Memo Cash Clearing**".

The rest of the memo outlines the processing of debit/credit memos, including some examples.

Process Flow

Treasurer's Office

- After the Treasurer's Office receives a debit/credit memo they will process a journal entry that will adjust the depository cash account (**101002**) and charge the new suspense account (**101096**). The Treasurer's Office will enter this adjustment to the Agency fund (**63096**) and a related administrative Dept ID for the associated Business Unit. The Treasurer's Office will also include a Reference Number on each journal and the journal will be edited and budget checked. The Treasurer's Office will send copies to the appropriate contact person for the associated Business Unit and to Financial Operations. These documents will consist of a printed copy of the Treasurer's journal entry, the debit or credit memo and the check.

Department Entry

- Once the contact person receives the copy of the debit/credit memo, Treasurer's journal entry, and check, they will be responsible for processing an interunit Transfer charging their appropriate chartfields. The journal should be processed as soon as possible, not exceeding **5** business days after receipt of the Treasurer's Office documents. For a debit memo the journal will be entered debiting the chartfield information used on the original deposit and crediting the interunit cash account (**100105**). For a credit memo the debit/credit lines of the journal will be reversed. The same reference number that is on the Treasurer's JE should be used, with an affiliate of **00005**. As the Department journal entry is the initiating source TSF, 'NEXT' must be used for the journal id. VISION will assign the next available journal id. The journal entry should only be edited not budget checked. (See example journal on page 6.)

Financial Operations

- Once the department processes their journal, Financial Operations will run a Query called: VT_BU_TRANSFER and process the other half of the interunit transfer. For a debit memo Financial Operations will process a journal using BU **00005**, crediting the (**101096**) DR/CR Memo cash clearing, and debiting the interunit cash account (**100105**). As Financial Operation's journal entry is the responding source TSF, the same journal id will be used as was assigned to the Department entry. The same reference number on both the Treasurer's JE and Department's JE will be used by Financial Operations. Financial Operations will edit and budget check their journal entry. They will also budget check the department related journal entry. (See example journal on page 8.)

Example Process Flow of Debit Memo:

B U Account Fund DeptID Affiliate DR CR

Initial Deposit

01160	415680	21680	1160050000			200.00
01160	101002	21680	1160050000		200.00	

Treasurers Office

00005	101002	63096	1160050000			200.00
00005	101096	63096	1160050000		200.00	

Department Entry

01160	100105	21680	1160050000	00005		200.00
01160	415680	21680	1160050000	00005	200.00	

Financial Operations

00005	101096	63096	1160050000	01160		200.00
00005	100105	63096	1160050000	01160	200.00	

Example Process Flow of Credit Memo:

<u>B U</u>	<u>Account</u>	<u>Fund</u>	<u>DeptID</u>	<u>Affiliate</u>	<u>DR</u>	<u>CR</u>
------------	----------------	-------------	---------------	------------------	-----------	-----------

Initial Deposit

01160	415680	21680	1160050000			200.00
01160	101002	21680	1160050000		200.00	

Treasurers Office

00005	101002	63096	1160050000		200.00	
00005	101096	63096	1160050000			200.00

Department Entry

01160	100105	21680	1160050000	00005	200.00	
01160	415680	21680	1160050000	00005		200.00

Financial Operations

00005	101096	63096	1160050000	01160	200.00	
00005	100105	63096	1160050000	01160		200.00

Dispute

If a department believes that the Treasurer's Office has incorrectly processed a debit/credit memo against their Business Unit, the department is responsible for contacting the Treasurer's Office.

Please contact Becky Brockway at 828-6972 or email becky.brockway@state.vt.us within 5 business days of receiving the Debit/Credit Memo to record the issue.

Examples

Attached you will find outlined instructions for processing Debit/Credit Memos, including screen shots.

Treasurers Office – Example

The Treasurer’s Office will be processing the Debit/Credit memos in VISION with a source “CAJ” journal entry.

Navigation: General Ledger > Journals > Journal Entry > Create Journal Entries



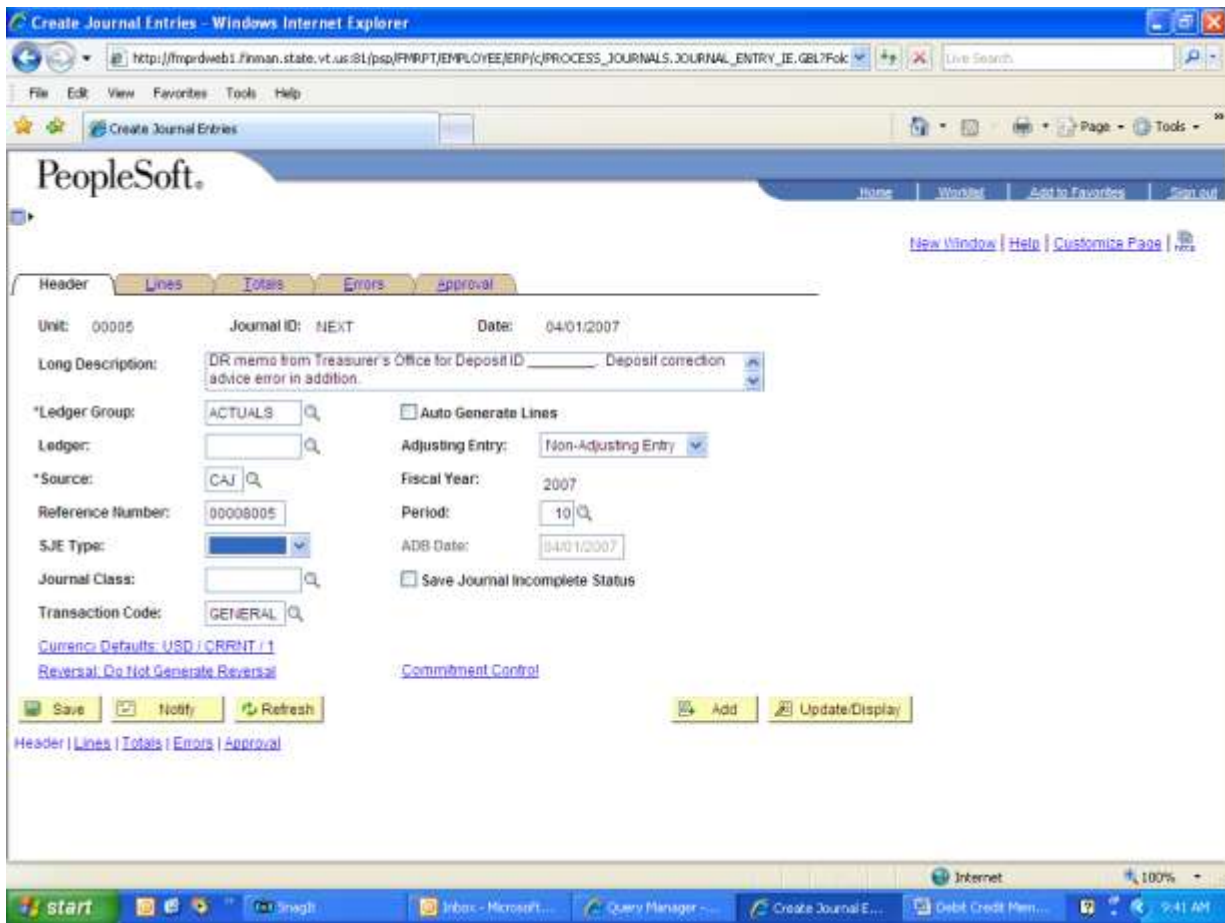
Header Page

Long Description: **DR memo from Treasurer’s Office for Deposit ID _____.
Deposit correction advice error in addition.**

Ledger Group: **ACTUALS**

Source: **CAJ**

Reference: **00008005**



Lines Page

Debit:

Account - 101096 (DR/CR Memo Cash Clearing)
 Fund - 63096 (DR/CR Memo Cash Clearing)
 Dept Id - (Administrating Dept Id within the originating BU)

Credit:

Account - 101002 (Depository Account)
 Fund - 63096 (DR/CR Memo Cash Clearing)
 Dept Id - (Administrating Dept Id within the originating BU)

Windows Internet Explorer window titled "Create Journal Entries". The address bar shows a URL from the PeopleSoft system.

PeopleSoft logo and navigation links: Home, Working, Add to Favorites, Sign out. Additional links: New Window, Help, Customize Page.

Journal ID: NEXT Date: 04/01/2007 *Process: Edit Journal Process

Change Values InterIntraUnit

*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project	Affiliate	Debit Amount	Credit Amount
00005	ACTUALS		101095	83096	1160050000					200.00	
00005	ACTUALS		101002	83096	1160050000						200.00

1 + - []

		Total Debits	Total Credits	Journal Status	Budget Status
ines		200.00	200.00		

Notify Refresh

is | Errors | Approval

Windows taskbar at the bottom shows: start, Internet Explorer, Inbox - Microsoft..., Query Manager..., Create Journal E..., Debit Credit Mem..., and system tray with time 9:42 AM.

Department Entry – Example

The Treasurer’s Office will forward a copy of their journal entry, a copy of the debit/credit memo, and the original check. The department must process an interunit Transfer. This transfer should be processed as soon as possible, not exceeding 5 business days after receipt of the Treasurer’s Office documents.

Navigation: General Ledger > Journals > Journal Entry > Create Journal Entries



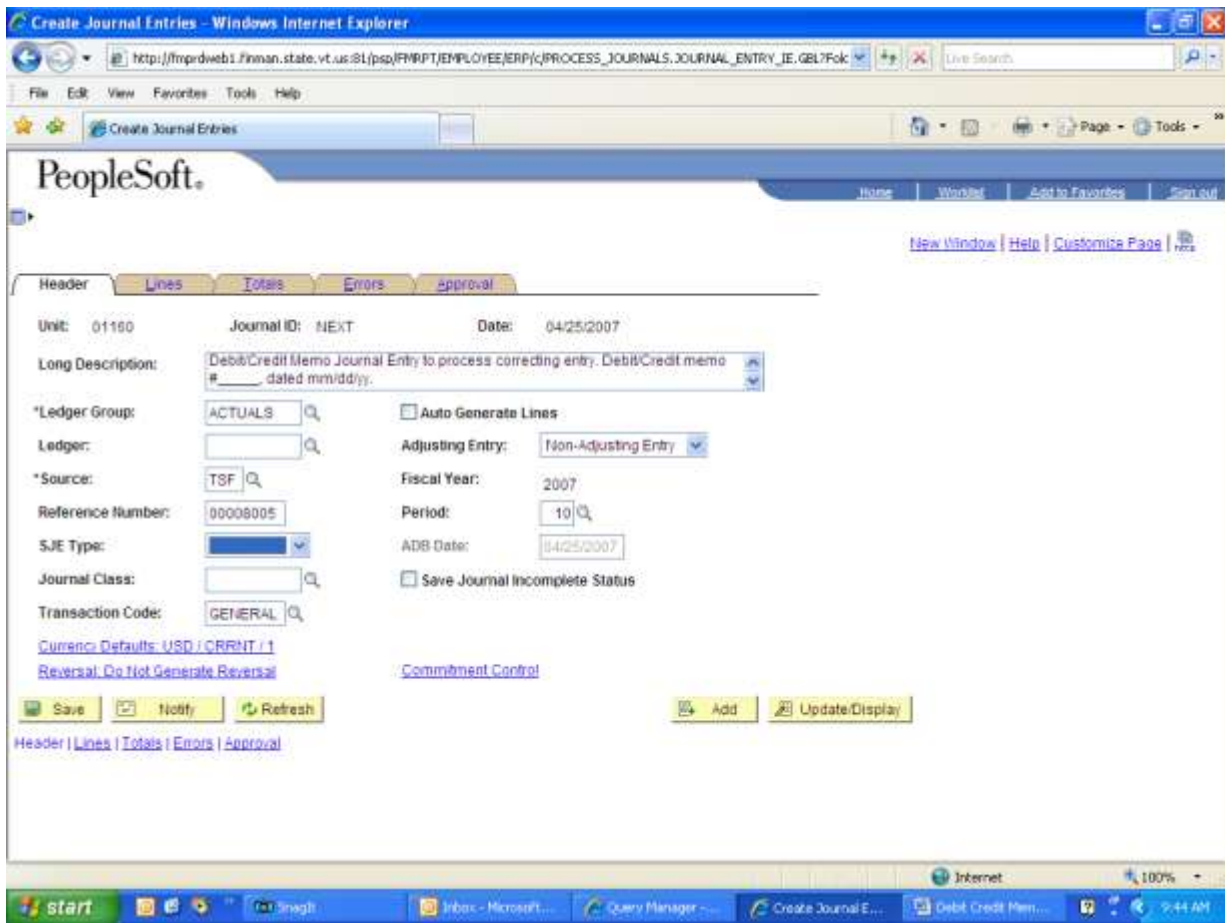
Header Page

Long Description: **Debit/Credit Memo Journal Entry to process correcting entry. Debit/Credit memo #____, dated mm/dd/yy.**

Ledger Group: **ACTUALS**

Source: **TSF**

Reference number: **00008005 (Same as Treasurer’s JE)**



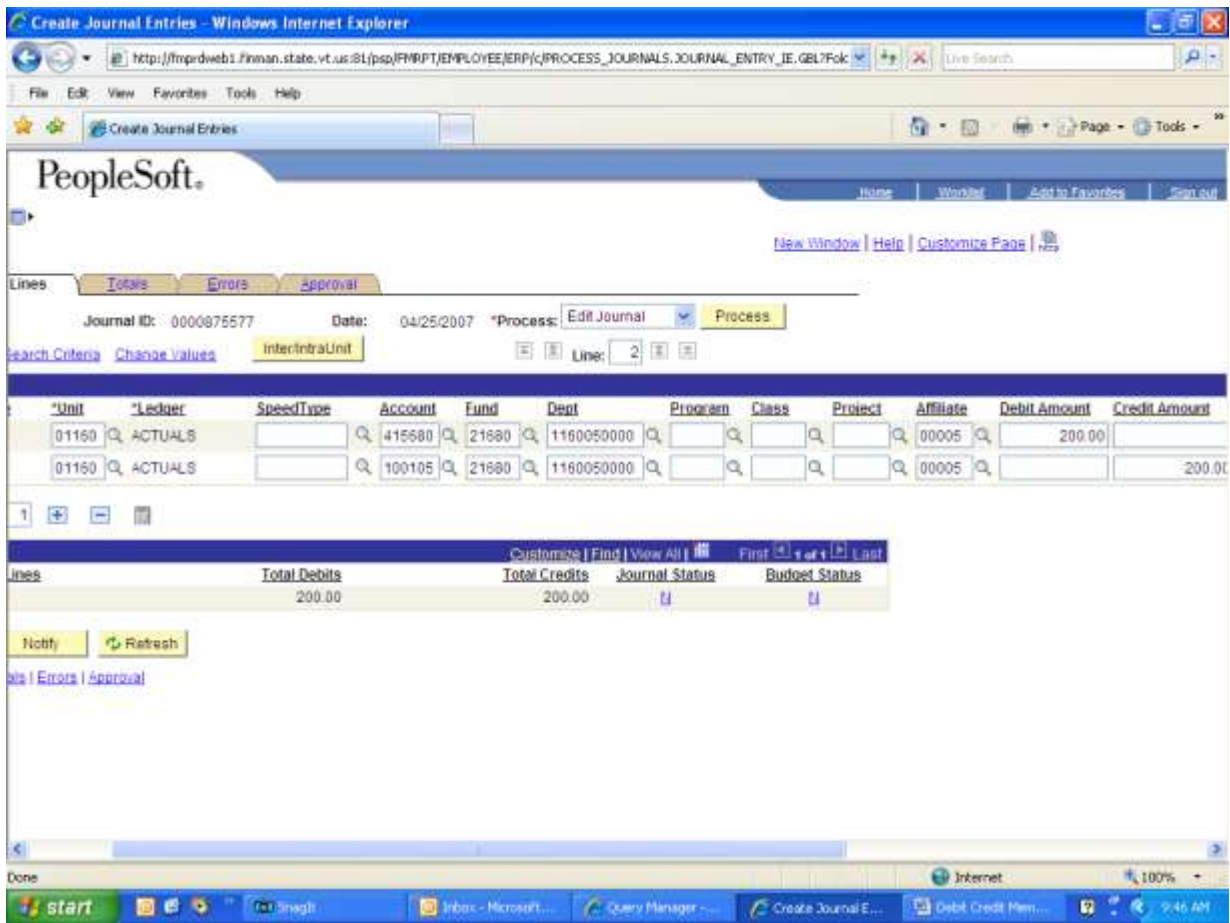
Lines Page

Debit:

Account - (Original account used on deposit)
 Fund - (Original fund used on deposit)
 Dept ID - (Original Dept Id used on deposit)
 Affiliate- **00005**

Credit:

Account - 100105 (interunit cash account)
 Fund - (Original fund used on deposit)
 Dept Id - (Original Dept Id on deposit)
 Affiliate- **00005**



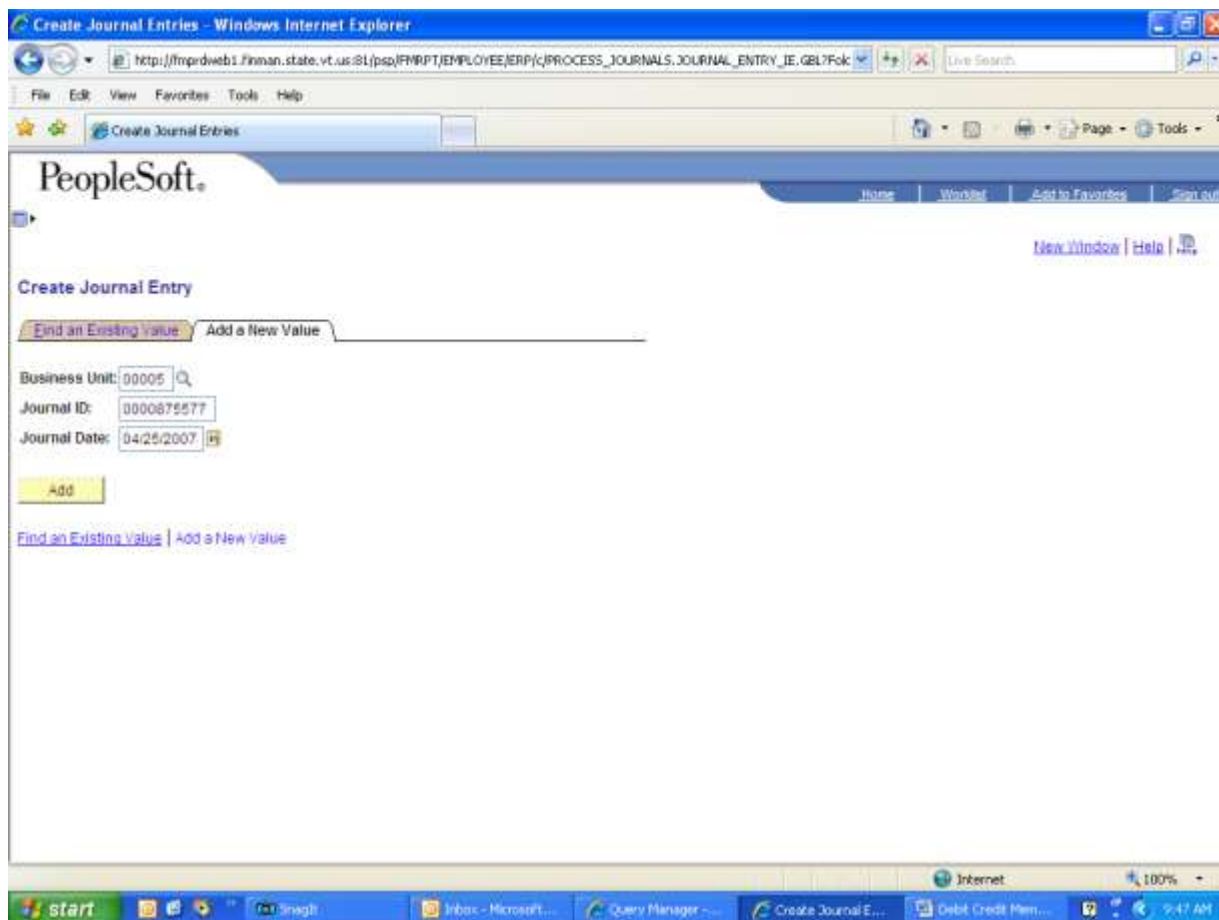
Note: Enter Program, Class and Project/Grant if these fields were used on the original deposit.

Only edit the journal. DO NOT BUDGET CHECK. Once the journal status is 'V', you have completed your journal.

Financial Operations – Example

Financial Operations will run the VT_BU_TRANSFER Query to find journals that they need to process. The following is an example of a debit memo. A credit memo would be entered in reverse.

Navigation: General Ledger > Journals > Journal Entry > Create Journal Entries



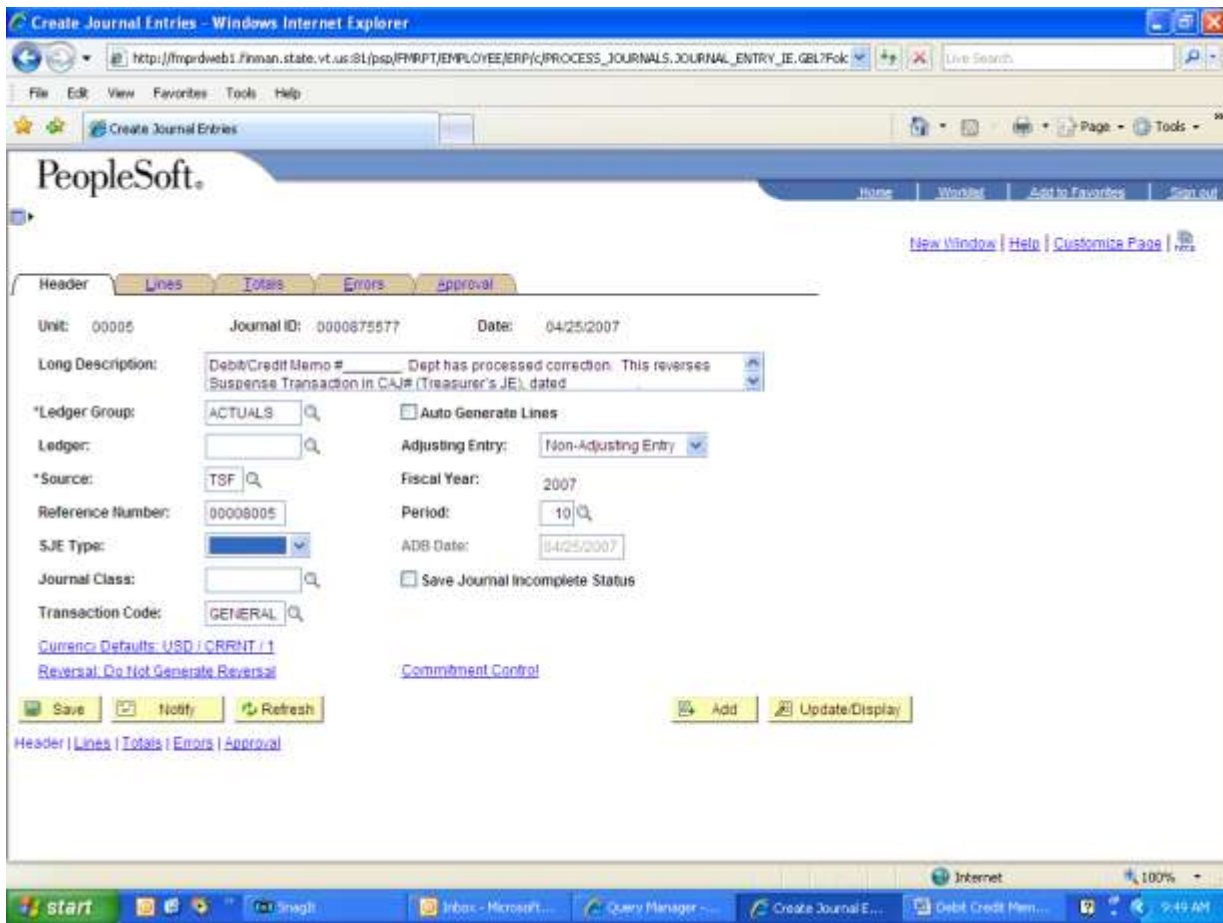
Header Page

Long Description: **Debit/Credit Memo #_____. Dept has processed correction. This reverses Suspense Transaction in CAJ# _____(Treasurer's JE), dated _____.**

Ledger Group: **ACTUALS**

Source: **TSF**

Reference number: **00008005 (same as Treasurer's JE and Dept's JE)**



Lines Page

Credit:

Account - 101096 (DR/CR Memo Cash Clearing)
Fund - 63096 (DR/CR Memo Cash Clearing)
Dept Id - (Administrating Dept Id within the originating BU)
Affiliate- (In this example BU 01160)

Debit:

Account - **100105** (interunit cash account)
Fund - 63096 (DR/CR Memo Cash Clearing)
Dept Id - (Administrating Dept Id within the originating BU)
Affiliate- (In this example BU 01160)

Windows Internet Explorer

http://fmpdwel1.finman.state.vt.us:81/psp/FMRPT/EMPLOYEE/ERP/C/PROCESS_JOURNALS.JOURNAL_ENTRY_JE.GBL?Fok

File Edit View Favorites Tools Help

Live Search

Create Journal Entries

Home Working Add to Favorites Sign out

New Window Help Customize Page

Lines **Totals** Errors Approval

Journal ID: 0000875577 Date: 04/25/2007 *Process: Edit Journal Process

Change Values InterIntraUnit

*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project	Affiliate	Debit Amount	Credit Amount
00005	ACTUALS		101096	83096	1160050000				01160		200.00
00005	ACTUALS		100105	83096	1160050000				01160	200.00	

1

Customize | Find | View All | First | Last

Lines	Total Debits	Total Credits	Journal Status	Budget Status
	200.00	200.00		

Notify Refresh

Errors Approval

Internet 100%

start Inbox - Microsoft... Query Manager... Create Journal E... Debit Credit Mem... 9:50 AM

Example of Documents you will receive from the Treasurer's Office.

Report ID: GLC7501

Unit: 00005
 Journal ID: 0000360233
 Date: 03.Nov.2003
 Description: DR Memo from Treas. Office - Dep.# 2120 601096 - Judicial - Ret'd Ck. - NSF - Fortin

PeopleSoft Financials
JOURNAL ENTRY DETAIL

Ledger Group: ACTUALS
 Source: CAJ
 Reversal: N
 Reversal Date:

Foreign Currency: USD
 Rate Type:
 Effective Date: 03.Nov.2003
 Exchange Rate: 1.00000000

Page No. 1
 Run Date 05.Nov.2003
 Run Time 11:51:20 AM

Line #	Account/Fund	Dept/Id	Prog	Class	Bojtr Peric	Prg/Grant	Affiliate Stat	Reference	Statistics Amt	Rate Type	Rate	Foreign Amount	Base Amount
ACTUALS													
1	101090	10000	126001C								1.00000000	2.00 USD	2.00 USD
Description: Treasurer's Suspense													
2	101002	10000	126001C								1.00000000	-2.00 USD	-2.00 USD
Description: Depository Account													
Open Item Key: Open Item Key:													

Totals for Journal: 0000360233 Total Lines: Total Base Debits: 2.00 Total Base Credits: 2.00

End of Report

BANKNORTH VERMONT-011

11/03/2003

WE CHARGE YOUR ACCOUNT

5240113051 AND ENCLOSE THE FOLLOWING UNPAID ITEMS:

MAKER.....	REASON.....	FEE.....	AMOUNT
	INSUFFICIENT FUNDS	0.00	2.00

STATE OF VERMONT
 ATTN: RACHEL CARRIVEAU
 TREASURERS OFFICE
 133 STATE STREET
 MONTPELIER VT 05633

2120 601096
Judicial

NO. OF ITEMS: _____
 TOTAL AMOUNT: _____
 TOTAL FEE: _____
 TOTAL CHARGE: _____



DEPOSIT TICKET

CHECKS AND OTHER ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE TERMS AND CONDITIONS OF THE ACCOUNT INSTITUTIONS DEPOSITARY AGREEMENT

DATE	CURRENCY	COIN	CHECKS LIST SEPARATELY	DOLLARS	CENTS
				740	75
				716	-
				TOTAL	756 75

STATE OF VERMONT
 DEPT. OF COURT ADMINISTRATION
 ORLEANS FAMILY COURT, 2120-80

HOWARD BANK, FIRST VERMONT BANK
 FRANKLIN LAMOILLE BANK
 58-3/116

TOTAL ITEMS: **3** TOTAL DEPOSIT: **756.75**

PLEASE REENTER TOTAL HERE

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL
 IT SHOULD BE PROPERLY ENDORSED

152 85010/24 031027 \$756.75 D
 2120601096 5211101020 5240113051