

Debit/Credit Memo Procedure

A debit/credit memo is received by the Treasurer's Office from the bank each time an adjustment is made to the State's bank accounts. Usually these adjustments are the result of an incorrect deposit or a returned check. An adjustment can also be required if international funds are received and deposited by the State of Vermont. Debit/Credit memo activity is associated with suspense account number **101096** and Agency fund **63096**. Both are titled "**DR/CR Memo Cash Clearing**".

The rest of this procedure 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 process a source CAJ journal entry to adjust the depository cash account (**101002**) with an offset to the db/cr memo cash clearing account (**101096**). The Treasurer's Office will post the adjustment to the Agency fund (**63096**) and a related administrative Dept ID for the associated Business Unit. The Treasurer's Office includes a Reference Number on each journal and the journal is edited and budget checked. The Treasurer's Office sends documents through email to the appropriate contact person for the associated Business Unit and cc's Financial Operations. *Documents included in the email notification: bank adjustment letter with CAJ journal id and reference number noted, deposit slip, returned check.*

Department Entry

- Once the associated Business Unit receives the email notification from the Treasurer's office with all required documents, they are responsible for processing a source TSF journal entry (interunit transfer) to adjust the appropriate chartfields. The TSF journal should be processed as soon as possible, **not exceeding 5 business days after receipt of the Treasurer's Office email**. 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 same reference number that is associated with the Treasurer's journal must be used (see reference number noted on the bank adjustment letter). For a debit memo the journal is entered debiting the chartfield information used on the original deposit and crediting interunit cash account (**100105**). For a credit memo the debit/credit lines of the journal are reversed. All journal lines must include an affiliate of **00005**. The TSF journal entry should only be edited and **not** budget checked. (See example journal on page 6.)

Financial Operations

- Once the department processes their TSF journal, Financial Operations runs the VT_BU_TRANSFER query and processes the responding side of the interunit transfer using BU **00005**. The same journal id and journal date will be used as was assigned to the Department entry. The same reference number used on both the Treasurer's and Department's journals must be used. Financial Operations will post the TSF to the Agency fund (**63096**) and the same administrative Dept ID used in the Treasurer's journal. For a debit memo the journal will be entered crediting the DR/CR Memo cash clearing account (**101096**) and debiting the interunit cash account (**100105**). For a credit memo the debit/credit lines of the journal are reversed. Financial Operations will edit, budget check and post their TSF journal entry. They will also budget check and post the department related TSF journal entry.

Example Process Flow of Debit Memo:

<u>B U</u>	<u>AccountFund</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	

Example Process Flow of Credit Memo:

<u>B U</u>	<u>AccountFund</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 Wendy Dickinson at 828-6972 or email wendy.dickinson@vermont.gov within 5 business days of receiving the Debit/Credit Memo to record the dispute.

Examples

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

Treasurers Office – Example

The Treasurer’s Office will process a Debit/Credit memo in VISION with a source “CAJ” journal entry.

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

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create Journal Entries

Create Journal Entry

Find an Existing Value Add a New Value

Business Unit: 00005
Journal ID: NEXT
Journal Date: 10/24/2016

Add

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**

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create Journal Entries

Header | Lines | Totals | Errors | Approval

Unit: 00005 Journal ID: NEXT Date: 10/24/2016

Long Description: DR memo from Treasure's Office for Deposit ID _____. Deposit correction advice error in addition.

*Ledger Group: ACTUALS Auto Generate Lines
Ledger: Adjusting Entry: Non-Adjusting Entry
*Source: CAJ Fiscal Year: 2017
Reference Number: 00008005 Period: 4
SJE Type: ADB Date: 10/24/2016
Journal Class: Save Journal Incomplete Status
Transaction Code: GENERAL

Currency Defaults: USD / CRRNT / 1
Reversal: Do Not Generate Reversal

Commitment Control

Save Notify Refresh

Add Update/Display

Header | Lines | Totals | Errors | Approval

Effective: 2/1/2004
Revised: 10/31/2016

Lines Page

Debit:

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

Credit:

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

[Favorites](#) | [Main Menu](#) > [General Ledger](#) > [Journals](#) > [Journal Entry](#) > [Create Journal Entries](#)

[New Window](#) | [Help](#) | [Persona](#)

[Header](#) | [Lines](#) | [Totals](#) | [Errors](#) | [Approval](#)

Unit: 00005 Journal ID: NEXT Date: 10/24/2016 *Process: Edit Journal [Process](#)

[Template List](#) [Change Values](#) [Inter/intraUnit](#)

Select	Line	*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project	Affiliate	Debit Amount	Credit Amount
<input type="checkbox"/>	1	00005	ACTUALS		101096	63096	1160050000					200.00	
<input type="checkbox"/>	2	00005	ACTUALS		101002	63096	1160050000						200.00

Lines to add: [+](#) [-](#) [🗑️](#)

Totals		Personalize	Find	View All	First	1 of 1	Last
Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status		
00005	2	200.00	200.00	N	N		

[Save](#) [Notify](#) [Refresh](#)

[Header](#) | [Lines](#) | [Totals](#) | [Errors](#) | [Approval](#)

Department Entry – Example

The Department will process a Debit/Credit memo in VISION with a source “TSF” journal entry. The Department’s TSF journal is the initiating side of a transfer.

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**

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create Journal Entries

Header | **Lines** | Totals | Errors | Approval

Unit: 01160 Journal ID: 0002448409 Date: 10/24/2016 *Process: Edit Journal Process

Template List Search Criteria Change Values Inter/IntraUnit Errors Only Line: 10

Select	Line	*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project	Affiliate	Debit Amount	Credit Amount
<input type="checkbox"/>	1	01160	ACTUALS		415680	21680	1160050000				00005	200.00	
<input type="checkbox"/>	2	01160	ACTUALS		100105	21680	1160050000				00005		200.00

Lines to add: 1

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
01160	2	200.00	200.00	V	N

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 = ' V' , you have completed your journal.

Financial Operations – Example

Financial Operations will process a Debit/Credit memo in VISION with a source “TSF” journal entry. Financial Operation’s TSF journal is the responding side of a transfer.

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

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create Journal Entries

Create Journal Entry

Find an Existing Value Add a New Value

Business Unit: 00005
 Journal ID: 0002448409
 Journal Date: 10/24/2016

Add

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)**

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create Journal Entries

Header Lines Totals Errors Approval

Unit: 00005 Journal ID: 0002448409 Date: 10/24/2016

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

*Ledger Group: ACTUALS Auto Generate Lines

Ledger: Adjusting Entry: Non-Adjusting Entry

*Source: TSF Fiscal Year: 2017

Reference Number: 00008005 Period: 4

SJE Type: ADB Date: 10/24/2016

Journal Class: Save Journal Incomplete Status

Transaction Code: GENERAL

[Currency Defaults: USD / CRRNT / 1](#)

[Reversal: Do Not Generate Reversal](#) [Commitment Control](#)

Lines Page

Credit:

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

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create Journal Entries

Header | **Lines** | Totals | Errors | Approval

Unit: 00005 Journal ID: 0002448409 Date: 10/24/2016 *Process: Edit Journal Process

Template List Change Values Inter/IntraUnit

Select	Line	*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project	Affiliate	Debit Amount	Credit Amount
<input type="checkbox"/>	1	00005	ACTUALS		101096	63096	1160050000				01160		200.00
<input type="checkbox"/>	2	00005	ACTUALS		100105	63096	1160050000				01160	200.00	

Lines to add: 1 + - []

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
00005	2	200.00	200.00	N	N

Example of adjustment letter provided by the Treasurer's Office via email.

- ✓ **Email documentation may also include a copy of the returned check (front and back) if applicable. (not pictured here)**

	Bank	#7	ACCT# 5240113051
		America's Most Convenient Bank®	800-982-9440

TD BANK NA
PO BOX 1377
LEWISTON, ME 04243-1377

STATE OF VERMONT
DEPOSITORY ACCOUNT
109 STATE ST 4TH FL
MONTPELIER VT 05609-6200

THE FOLLOWING ITEM(S) THAT WERE DEPOSITED INTO ACCT # 5240113051 HAVE BEEN RETURNED UNPAID. WE HAVE DEBITED YOUR ACCOUNT AS INDICATED BELOW. THE ASSOCIATED FEES WILL BE REFLECTED ON YOUR MONTHLY ANALYSIS STATEMENT. IF YOU HAVE ANY QUESTIONS OR CONCERNS, PLEASE CONTACT US AT THE NUMBER LISTED ABOVE.

CHECK#	CHECK AMOUNT	RETURN ITEM SEQ #	RETURN REASON	SERIAL NUMBER
328	76.00	724850701	NON SUFFICIENT FUNDS	8125112887 <i>JTE# 2228358</i> <i>CST# 00030889</i>

TOTAL RETURNED
NUMBER OF ITEM(S) 1
AMOUNT OF CHECK(S) \$76.00

APPROVED
SEP 27 2016
[Signature]

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