

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 (**101102**) with an offset to the DR/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, approved, and posted. 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 be edited and approved. (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, approve, and post the responding TSF journal entry. They will also post the department related initiating 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	101102 21680	1160050000		200.00	
Treasurers Office					
00005	101102 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	101102 21680	1160050000		200.00	
Treasurers Office					
00005	101102 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/Update Journal Entries

OR

WorkCenter Navigation: General Ledger WorkCenter > Journals > Create/Update Journal Entries

The screenshot shows a web interface titled "Create/Update Journal Entries". At the top left, there is a link "Add a New Value". At the top right, there is a search button labeled "Find an Existing Value". Below these, there is a form with three input fields: "*Business Unit" with the value "00005", "*Journal ID" with the value "NEXT", and "*Journal Date" with the value "01/10/2019". Each field has a small search icon to its right. Below the fields is an "Add" button.

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**
Journal Class: **CY or PY**

Header	Lines	Totals	Errors	Approval	
Unit	00005	Journal ID	NEXT	Date	01/10/2019
*Long Description	DR memo from Treasurer's Office for Deposit ID _____ . Deposit correction advice error in addition.				
	149 characters remaining				
*Ledger Group	ACTUALS	Adjusting Entry	Non-Adjusting Entry		
Ledger		Fiscal Year	2019		
*Source	CAJ	Period	7		
Reference Number	00008005	ADB Date	01/10/2019		
*Journal Class		<input type="checkbox"/> Auto Generate Lines			
Transaction Code	GENERAL	<input type="checkbox"/> Save Journal Incomplete Status			
SJE Type		<input type="checkbox"/> Autobalance on 0 Amount Line			
		<input type="checkbox"/> CTA			
		Commitment Control			
		Currency Defaults: USD / CRRNT / 1			
		Attachments (0)			
		Reversal: Do Not Generate Reversal			
Entered By	JSHELTRA	Jamie A Sheltra			
Entered On					
Last Updated On					

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 - 101102 (PUB - Depository Account)
Fund - 63096 (DR/CR Memo Cash Clearing)
Dept Id - (Administrative Dept Id within the originating BU)

Header										
Unit 00005 Journal ID NEXT Date 01/10/2019										
Template List Change Values										
Inter/IntraUnit *Process Edit Journal Process										
▼ Lines Personalize Find [F2] [F4]										
Select	Line	*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project
<input type="checkbox"/>	1	00005	ACTUALS		101096	63096	1160050000			
<input type="checkbox"/>	2	00005	ACTUALS		101102	63096	1160050000			
Lines to add 1										
▼ Totals Personalize Find View All [F2] [F4] First 1 of 1 Last										
Unit	Total Lines	Total Debits		Total Credits		Journal Status	Budget Status			
00005	2	200.00		200.00		N	N			

Header										
Unit 00005 Journal ID NEXT Date 01/10/2019										
Template List Change Values										
Inter/IntraUnit *Process Edit Journal Process										
▼ Lines Personalize Find [F2] [F4]										
Select	Line	Debit Amount	Credit Amount	Base Currency	Budget Date	Reference	Journal Line Description	PC Status		
<input type="checkbox"/>	1	200.00		USD	01/10/2019		DR/CR Memo Cash Clearing	Not Distributed		
<input type="checkbox"/>	2		200.00	USD	01/10/2019		PUB - Depository Account	Not Distributed		
Lines to add 1										
▼ Totals Personalize Find View All [F2] [F4] First 1 of 1 Last										
Unit	Total Lines	Total Debits		Total Credits		Journal Status	Budget Status			
00005	2	200.00		200.00		N	N			

Edit and approve the journal. Once the journal status = ‘ V ’ and the Approval Status = Approved, you have completed your journal. It will either post in the overnight batch processes OR you can post the journal manually if you have the appropriate security.

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/Update Journal Entries

OR

WorkCenter Navigation: General Ledger WorkCenter > Journals > Create/Update Journal Entries

Create/Update Journal Entries

Add a New Value Find an Existing Value

*Business Unit

*Journal ID

*Journal Date

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)**

Journal Class: **CY or PY**

Header	Lines	Totals	Errors	Approval
Unit 01160		Journal ID NEXT		Date 01/10/2019
*Long Description <input style="width: 90%;" type="text" value="Debit/Credit Memo Journal Entry to process correcting entry. Debit/Credit memo # _____, dated mm/dd/yy."/>				
152 characters remaining				
*Ledger Group	<input type="text" value="ACTUALS"/>	Adjusting Entry		<input type="text" value="Non-Adjusting Entry"/>
Ledger	<input type="text"/>	Fiscal Year	2019	
*Source	<input type="text" value="TSF"/>	Period	<input type="text" value="7"/>	
Reference Number	<input type="text" value="00008005"/>	ADB Date	<input type="text" value="01/10/2019"/>	
*Journal Class	<input type="text" value="CY"/>	<input type="checkbox"/> Auto Generate Lines <input type="checkbox"/> Save Journal Incomplete Status <input type="checkbox"/> Autobalance on 0 Amount Line		
Transaction Code	<input type="text" value="GENERAL"/>	<input type="checkbox"/> CTA Commitment Control		
SJE Type	<input type="text"/>	Currency Defaults: USD / CRRNT / 1 Attachments (0) Reversal: Do Not Generate Reversal		
Entered By WTUCKER		Whitney Tucker		
Entered On				
Last Updated On				
<input type="button" value="Save"/> <input type="button" value="Notify"/> <input type="button" value="Refresh"/>		<input type="button" value="Add"/> <input type="button" value="Update/Display"/>		

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**

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

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.

-Edit and approve the journal. Once the journal status = ‘ V’ and the Approval Status = Approved, 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/Update Journal Entries

OR

WorkCenter Navigation: General Ledger WorkCenter > Journals > Create/Update Journal Entries

Create/Update Journal Entries

Add a New Value

*Business Unit

*Journal ID

*Journal Date

NOTE: The same Journal ID should be used on this journal as the TSF that the Department entered.

Header Page

<p>Long Description:</p> <p>Ledger Group:</p> <p>Source:</p> <p>Reference number:</p> <p>Journal Class:</p>	<p>Debit/Credit Memo # _____. Dept has processed correction. This reverses Suspense Transaction in CAJ# _____(Treasurer's JE), dated _____. ACTUALS TSF 00008005 (same as Treasurer's JE and Dept's JE) CY or PY</p>
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Header	Lines	Totals	Errors	Approval	
Unit	00005	Journal ID	0002448409	Date	01/10/2019
*Long Description	Debit/Credit Memo # _____. Dept has processed correction. This reverses Suspense Transaction in CAJ# _____ (Treasurer's JE), dated _____.				
	107 characters remaining				
*Ledger Group	ACTUALS	Adjusting Entry	Non-Adjusting Entry		
Ledger		Fiscal Year	2019		
*Source	TSF	Period	7		
Reference Number	00008005	ADB Date	01/10/2019		
*Journal Class	CY				
Transaction Code	GENERAL	<input type="checkbox"/> Auto Generate Lines <input type="checkbox"/> Save Journal Incomplete Status <input type="checkbox"/> Autobalance on 0 Amount Line <input type="checkbox"/> CTA Commitment Control			
SJE Type		Currency Defaults: USD / CRRNT / 1 Attachments (0) Reversal: Do Not Generate Reversal			
Entered By	JSHELTRA		Jamie A Sheltra		
Entered On					
Last Updated On					
<input type="button" value="Save"/> <input type="button" value="Notify"/> <input type="button" value="Refresh"/>			<input type="button" value="Add"/> <input type="button" value="Update/Display"/>		
Header Lines Totals Errors Approval					

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)

Header	Lines	Totals	Errors	Approval																																	
Unit 00005		Journal ID 0002448409		Date 01/10/2019																																	
Template List				Change Values																																	
Inter/IntraUnit		*Process Edit Journal		Process																																	
<table border="1"> <thead> <tr> <th>Select</th> <th>Line</th> <th>*Unit</th> <th>*Ledger</th> <th>SpeedType</th> <th>Account</th> <th>Fund</th> <th>Dept</th> <th>Program</th> <th>Class</th> <th>Project</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td>1</td> <td>00005</td> <td>ACTUALS</td> <td></td> <td>101096</td> <td>63096</td> <td>1160050000</td> <td></td> <td></td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td>2</td> <td>00005</td> <td>ACTUALS</td> <td></td> <td>100105</td> <td>63096</td> <td>1160050000</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Select	Line	*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project	<input type="checkbox"/>	1	00005	ACTUALS		101096	63096	1160050000				<input type="checkbox"/>	2	00005	ACTUALS		100105	63096	1160050000			
Select	Line	*Unit	*Ledger	SpeedType	Account	Fund	Dept	Program	Class	Project																											
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Select	Line	Affiliate	Debit Amount	Credit Amount	Base Currency	Budget Date	Reference	Journal Line Description																							
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<input type="checkbox"/>	2	01160	200.00		USD	01/10/2019																									
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00005	2	200.00	200.00	N	N																										
Save Notify Refresh Add Update/Display																															

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

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#7

ACCT# 5240113051
DATE: 09/21/2016

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

JEF# 2228358
OST# 00030889

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

APPROVED
 SEP 27 2016