



# State of Arizona Accounting Manual

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## INTRODUCTION

Different receipt-related transactions of different types, triggered by external events, result in adjustments that must be made to deposits. In order to appropriately reflect the financial operations of the State, it is necessary that agencies claim and categorize these transactions on a timely basis; this section of SAAM communicates the requirement to do so.

## POLICIES

1. Several different external events may result in adjustments made to deposits. These events include, but might not be limited to:
  - 1.1. Fees charged by payment card issuers or processors.
  - 1.2. Checks returned for insufficient funds and related reasons.
  - 1.3. Errors made by depositors in preparing and totaling deposits.
2. Deposit adjustments must be cleared on a timely basis. In this context:
  - 2.1. "Cleared" means claimed and appropriately allocated.
  - 2.2. "Claimed" means that an agency must identify the adjustment as belonging and pertaining to the agency.
  - 2.3. "Allocated" means that the adjustment must be attributed to the appropriate revenue source or expenditure object.
  - 2.4. "Timely basis" means not later than the last business day of the month following that in which the receipt-related transaction requiring adjustment occurs.
3. To assist in this effort, the AFIS Cash Flow Report, FIN-AZ-GL-N339, and the Outstanding Open Items Report, FIN-AZ-GL-N388, should be used in conjunction with one another.
  - 3.1. These reports can be found in InfoAdvantage, in the 1 – Statewide Reports\General Ledger folder.

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- 3.2. On the Cash Flow Report, the sum of deposit adjustments that must be cleared is listed in the row titled “Cash Adj.” This report provides only balances, not individual transactions.
- 3.3. Individual transactions that comprise the sum of deposit adjustments can be identified using the Outstanding Open Items Report.
4. Additional guidance in working with cash adjustments is contained in several Quick Reference Guides (QRGs) found on the GAO Website at <https://gao.az.gov/trainingevents/training-resources>. Among the applicable QRGs are:
  - 4.1. *Favorable & Unfavorable Deposit Adjustment Processing*.
  - 4.2. *Non-Web Portal Credit Card Revenue & Fee Processing*.
  - 4.3. *Handling an NSF – Department Process*.