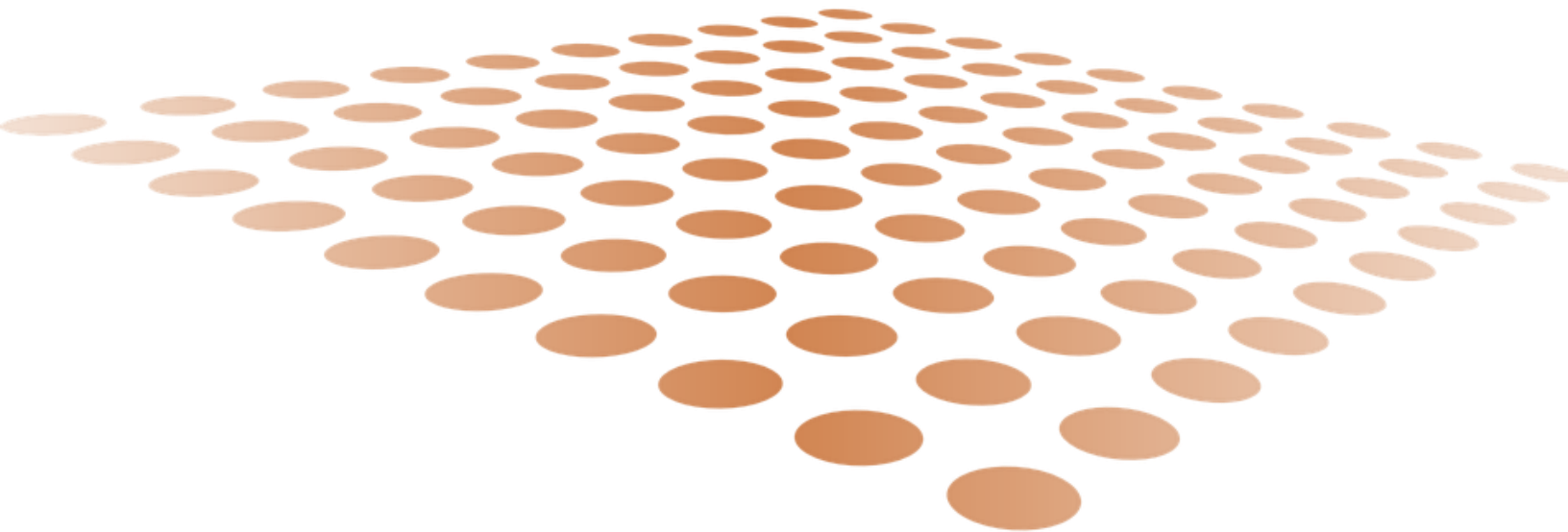


ADOA – General Accounting Office

QUICK REFERENCE GUIDE: FAVORABLE & UNFAVORABLE DEPOSIT ADJUSTMENTS



FAVORABLE & UNFAVORABLE DEPOSIT ADJUSTMENTS

Overview

When an agency records a CR Document Type and the total amount recorded on the CR is not equal to the amount later verified at the bank, the Treasurer's Office will then process a State Treasurer – Treasury Adjustment (STADJ) document that will either increase (favorable) or reduce (unfavorable) the agency's cash to match the bank total. Here is the entry on the posting line of the document:

- **Favorable Deposit Adjustment: (ARS2 – Event Type)**
 - Debit: Cash (Balance Sheet Account 0070)
 - Credit: Favorable Deposit Discrepancy Payable (Balance Sheet Account 1530)
- **Unfavorable Deposit Adjustment: (ARS1 – Event Type)**
 - Debit: Unfavorable Deposit Discrepancy Rec (Balance Sheet Account 0553)
 - Credit: Cash (Balance Sheet Account 0070)

Please Note: Most STADJ's are posted to the General Fund 1000 unless otherwise pre-arranged by the agency with the Treasurer's Office to post to another Fund.

Once the agency has researched the reason for the difference and identified what chart of account elements this difference relates to, the agency can process a Department Adjustment – Treasury Adjustment (DADJ) document to adjust revenues or expenditures as appropriate. ***The DADJ document must be processed to reference the original fund adjusted by the Treasurer's Office in order to properly close out the balance sheet effect of their transaction.*** However, if the revenue or expenditure adjustment relates to another fund, then an Internal Exchange Transaction (IET) document must be processed to transfer the effect of the adjustment to the other fund(s).

Getting Started

The following event types are available to use on the CR Document Type for a Favorable or Unfavorable deposit adjustment:

- **Favorable Deposit Adjustment:**
 - ARD2 (Favorable Deposit Adjustment)
 - ARDB (Favorable Deposit Adjustment– Expenditure)
- **Unfavorable Deposit Adjustment:**
 - ARD1 (Unfavorable Deposit Adjustment)
 - ARDA (Unfavorable Deposit Adjustment– Expenditure)

Log into **AFIS**, search for the **STADJ** document created by Treasurer's Office. Then to **the Document Catalog**.

1. In the Code field, enter STADJ



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2. Click Browse
3. In the Dept. field, enter your department code
4. In the ID field, enter the STADJ document ID, as provided on documentation from the Treasurer's Office
5. Click Browse

Click on the **ID** link, from the grid, to open up the STADJ that will be copied forward to a DADJ

1. Click the Copy Forward button
2. In the **Dept.** field, enter *your department code*

Note: You may select the **Auto Number** checkbox to generate a unique ID if you so desire, but we highly recommend using the same document number as the STADJ Document ID for research purposes.

1. Click **Okay** to generate a DADJ document

Complete the **Header** component. At a minimum, enter the following information:

- Document Description
- Complete the **Accounting** component. At a minimum, enter the following information on the **General Information** tab:
 - Enter the **Event Type**. Select **ARD2** or **ARDB** for favorable deposit adjustments. For unfavorable deposit adjustments, select **ARD1** or **ARDA**. See a description of the event types in the opening summary to this section.
- Line Amount
- Budget FY – Enter the applicable appropriation year (e.g. 2022).

On the **Fund Accounting** tab, at a minimum, enter the following information:

- Department
- Object – Enter only if using event type ARDA or ARDB
- Revenue – Enter only if using event type ARD1 or ARD2
- Additional elements required are the Fund, Unit and Appropriation Unit, if not inferred by the Function.

On the **Detail Accounting** tab, at a minimum, enter the following information:

- Any department required elements, such as Function

If necessary, enter additional accounting lines to recognize revenue or expenditures to additional chart of account elements

1. Click **copy line icon** next to the accounting line listed in the grid area
2. Click insert copied line button



3. Change the **line amount** and any chart of account elements that should be different, on the fund accounting and detail accounting tabs (e.g. Program Period Code, etc.)

Ensure that the amounts on all accounting lines of the DADJ document do not add up to more than the total amount on the referenced STADJ document. Also, ensure that the fund is the same fund as was recorded on the STADJ, for each of the accounting lines. ***Lastly, make sure the STADJ is referenced on the copied line.***

Note: If revenues or expenditure related to this transaction must be transferred to other funds, then it may simplify things to record these activities to one chart of account “bucket” (e.g. 4699, etc.) on the DADJ document and then use the IET clear out this “bucket” and transfer these activities to the corrected funds and other chart of account elements.

Prior to submitting the document, attach any department specific backup documents.

1. Click on **File** and select **Attachments**
2. Select **Upload**
3. Select **Browse** and select the file
4. Click **Upload**
5. Click Return to Document

Validate DADJ document.

Confirm that the document validated successfully in the upper left-hand corner. If it did not, please see your accounting supervisor.

1. **Submit** DADJ document

Note: The document will be handled through workflow and will be pending approval by the Department Approver.

Transfer Revenue or Expenditures to other Funds

This step is only necessary if your agency needs to recognize the revenue or expenditures related to these favorable or unfavorable transactions in a fund other than the fund recorded originally on the STADJ document by the Treasurer’s Office.

The Internal Exchange Transaction (IET) document can be used to record both intra-agency and inter-agency fund transfers in a single document.

Log into **AFIS**. Navigate to the **Document Catalog**, and Create **IET** document.

1. In the **Code** field, enter **IET**
2. Click **Create**
3. In the Dept. field, enter *your department code*
4. In the Document ID Field, enter the same document ID as the STADJ.



Note: You may select the **Auto Number** checkbox to generate a unique ID if you so desire, but we highly recommend using the same document number as the STADJ Document ID for research purposes.

- 5. Click **Create**. A new document is generated.

Complete the **Header** component, at a minimum, enter the following information:

- Initiator
- Provider/Seller (1st Party is receiving cash)
- Receiver/Buyer (1st Party is sending cash) – This method works best, if the DADJ document was used to record the favorable or unfavorable activity into one “bucket”, for a later clearing out.

Complete **Exchange Details** component. Click **Insert New Line**, at a minimum, enter the following information on the **General Information** tab:

- Event Type (see grid below)

INZ1	Expenditure to Expenditure Transfer
INZ2	Revenue to Revenue Transfer
INZ3	Expenditure to Revenue Transfer

- Line Amount

At a minimum, enter the following information on the **1st Party Fund Accounting** tab or enter the Function on the **1st Party Detail Accounting** tab:

- Fund
 - Department
 - Unit
 - Appr Unit
 - Object (if applicable)
 - Revenue (if applicable)

On the **Detail Accounting** tab, at a minimum, enter the following information:

- Function (if used)
 - Task (if not inferred from function)

Complete the **2nd Party Accounting** component for each line of the Exchange Detail component, at a minimum, enter the following information on the **General Information** tab:

- Line Amount

On the **Fund Account** tab or enter the Function on the **Detail Accounting** tab, at a minimum, enter the following information:



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- Department
 - Fund (if not inferred from function)
 - Unit (if not inferred from function)
 - Appr Unit (if not inferred from function)
 - Object (if applicable)
 - Revenue (if applicable)

On the **Detail Accounting** tab, at a minimum, enter the following information:

- Function (if used)
 - Task (if not inferred from function)
1. **Validate** IET document
 - Confirm that the document validated successfully in the upper left-hand corner. If it did not, please see your accounting supervisor
 2. **Submit** IET document

Note: The document will be handled through workflow and will be pending approval by the Department Approver.