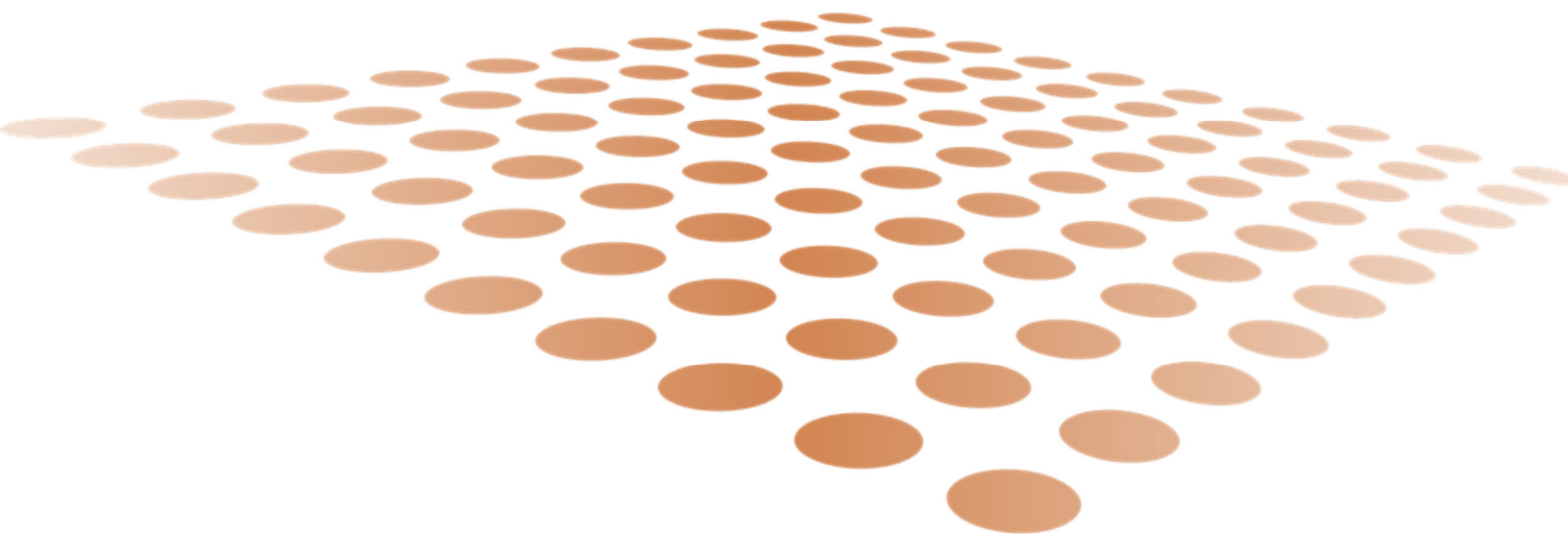


ADOA – General Accounting Office

# QUICK REFERENCE GUIDE: PROCESSING RECEIVABLE ADJUSTMENT – (CLADJ) DOC





# PROCESSING RECEIVABLE ADJUSTMENT – (CLADJ) DOC

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## Processing Receivable Adjustment – (CLADJ) Document

CL Adjustment (CLADJ) document can be used to close or write-off an RE or CL document. Three common instances are:

1. To close a RE or CL document in which revenues were received by the customer but the receivable balance was not referenced, i.e., credit card payment, interagency transfer, etc.
2. To Write-off Uncollectible Debt in which a receivable was created. If the receivable represents an enforceable debt, the debt must ultimately be collected or forwarded to the Office of the Attorney General (OAG) for collection. If goods or services were rendered and cannot be recovered or revoked, the receivable is still valid. If the agency has performed, to no avail, those steps required to effect collection, a write-off for the receivable can be requested.
3. To close a RE or CL document in which the debt collection was completed by the OAG and to reclassify the OAG internal transfer to the agency as an expenditure.

Since the CLADJ document is used to close/write-off a receivable where revenues/expenditures were otherwise recognized/reduced, **the Document Total amount will need to net to \$0**. Two vendor lines will need to be created *if referencing an RE or CL* – one with the vendor customer information and one without the vendor customer information. **Note:** *If referencing an RE or CL document, both the AR and CR roles are required when processing a CLADJ document.*

### Close or Write-Off RE or CL Document (Instance 1 & 2)

The following is how the event type, amount, and postings should be created for each vendor line when processing the CLADJ:

#### Vendor Line 1 - AR02 (Positive Amount)

Debit: Cash (Balance Sheet Account 0070)

Credit: External CER (Collected Earned Revenues)

#### Vendor Line 2 - AR02 (Negative Amount)

Debit: External CER (Collected Earned Revenues)

Credit: Cash (Balance Sheet Account 0070)

### Process a New CLADJ Document:

Log into **AFIS**. **Create** the CLADJ Document to close or write-off an RE or CL document

1. **Navigate** to the Document Catalog
2. In the **Code** field, type **RE** or **CL** to locate the document that needs to be closed/written off
3. Copy Forward to **Target Doc Code** of **CLADJ** to populate the document with the referenced document information
4. In the **Doc. Department Code** field, type your department code
5. Click **Auto Numbering** checkbox to generate a unique ID or enter your own unique ID
6. Click **OK**. A new document is generated



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7. Complete the **Header** component. At a minimum, enter the following information:
  - Document Total – \$0.00
  - Bank Account – BK01
8. **Validate** the **Vendor** component is populated with the vendor information from the RE/CL document from the copy forward function
9. **Validate** the **Accounting** component is populated with the RE/CL document information

### Insert a new Vendor Line

1. Navigate to the **Vendor** component and click **Insert New Line**
2. Enter the **Line Amount** as a negative amount

### Insert a new Accounting Line

1. Navigate to the Accounting component and click **Insert New Line**
2. At a minimum, enter the following on the **Fund Accounting** tab:
  - Department
  - Fund
  - Unit
  - Appropriation Unit
  - Revenue Source (change the revenue source to **4650**, a Contra Revenue Source, if item is approved on the JLBC NSF Write-off list)

**Note: If this is an Accounting Correction, revenue source 4650 does not need to be used on the negative accounting line. Enter the revenue source deemed appropriate.**

3. Enter a negative sign in the **Line Amount** field
4. Verify the following information on the **General Information** tab to ensure it will cancel out the corresponding positive line:
  - Event Type – is the same event type used on the accounting line with the positive amount
  - Line Amount – negative line amount so that it nets with the positive line amount

If applicable, **attach** the GAO-21 Form to the CLADJ document and any documentation being requested to Write-off from the JLBC NSF Write-off list.

5. **Validate** CLADJ document

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

6. **Submit** CLADJ document

If revenue source **4650 is used**, it will route to the Department Cash Receipt Approver and then GAO for final approval.



If revenue source **4650 is not used**, it will only route to the Department Cash Receipt Approver for final approval.

## Close RE or CL & Reclassify OAG Internal Transfer (Instance 3)

The internal transfer (ITI\ITA) created by the OAG is created as a revenue to revenue reduction transfer. A CLADJ document can be used to reclassify the 35% OAG debt collection fee from a revenue reduction to expenditure. It can also be used to close an RE or CL document from the collection by the OAG.

### Event Type Postings:

#### AR02 (Positive amount)

Debit: Cash (Balance Sheet Account 0070)

Credit: External CER

#### AR02 (Negative amount)

Debit: External CER

Credit: Cash (Balance Sheet Account 0070)

#### AR32 (Negative) – Additional if following Instance 3

Debit: External CE

Credit: Cash (Balance Sheet Account 0070)

## Procedure

Process a CLADJ document to reclassify 35% of internal transfer of debt collection fee by OAG as expenditure instead of a revenue reduction and to close an RE or CL document

Log into **AFIS**. Create the **CLADJ** Document

1. **Navigate** to the Document Catalog
2. Click **Create**
3. In the **Code** field, type **CLADJ**
4. In the **Dept** field, type your agency department code
5. Click the **Auto Numbering** checkbox to generate a unique ID or enter your own unique ID
6. Click **Create**. A new document is generated

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

- Document Total – \$0.00
- Bank Account – BK01



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Complete the **Vendor** component.

1. Click **Insert New Line**
2. At a minimum, enter the following on the **Reference Information** tab:
  - RE or CL document information
  - Line Amount – amount of receivable to be accounted for
3. Click **Save**. **General Information** tab should populate with RE or CL information

Complete the **Accounting** component

1. Click **Insert New Line**
2. At a minimum, enter the following on the **General Information** tab:
  - Line Amount – amount of receivable to be accounted for
  - Budget FY – Enter the applicable appropriation year (e.g., 2016)
3. At a minimum, enter the following on the **Reference Information** tab:
  - RE or CL document information
4. Click **Save**. All other tabs should populate with RE or CL information

Navigate back to the **Vendor** component

5. Click **Insert New Line**
6. Leave the **Vendor Customer** information blank
7. Enter the **Line Amount** as a negative amount

Navigate to the **Accounting** component

1. Click **Insert New Line**
2. Verify the following information on the **General Information** tab to ensure it will cancel out the corresponding positive line:
  - Event Type – is the same event type used on the accounting line with the positive amount
  - Line Amount – **negative** line amount so that it nets with the positive line amount
3. At a minimum, enter the following on the **Fund Accounting** tab:
  - Fund
  - Department
  - Revenue (same revenue source used on positive line amount)
  - Unit
  - Appropriation Unit



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### On the **Accounting** component

1. click **Insert New Line**, to create a third accounting line of the document
2. At a minimum, enter the following on the **General Information** tab:
  - **Event Type** – AR32 (to recognize the expenditure)
  - **Line Amount** – **negative** line amount the amount the OAG's received on behalf of the collection (35%)
3. At a minimum, enter the following on the **Fund Accounting** tab:
  - **Fund**
  - **Department**
  - **Object**
  - **Unit**
  - **Appropriation Unit**
4. **Validate** CLADJ document

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

5. **Submit** CLADJ document

The document will route to the Department Cash Receipt Approver