

# Accounting For Credit Card Activity

Supplement to Technical Bulletin 06-4  
Accepting Credit Cards as Payment for Amounts Owed to  
the State of Arizona

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## *Introduction*

There are essentially two methods used to process credit card transactions in the State of Arizona:

- 1) A method other than the State Portal. This includes credit card transactions processed over-the-counter, by telephone, by mail, or another Web-based medium that is not the State Portal.
- 2) The State Portal.

Possibly the easiest way to describe credit card processing is to use the terminology used in the credit card industry. This terminology applies to all credit card transactions, including those processed through the State Portal. In the credit card industry, an entity that accepts credit cards is known as a **merchant**. So, when accepting a credit card, a State agency is a merchant. The entity that uses the credit card to settle a debt owed to the merchant is known as a **customer**. In this respect, taxpayers, licensees and anyone else using a credit card to settle a debt to the State is a customer.

When an agency wants to begin accepting credit cards as a form of payment, whether it be over-the-counter or on-line, they must first contact the Office of the State Treasurer (OST) to set up a zero balance account (**ZBA**). A separate ZBA must be established by the OST if the agency will be accepting credit cards both over-the-counter and through the State Portal.

There are essentially **six** types of transactions that arise from the processing of credit cards:

1. A **remittance**. While a charge to a customer's credit card account is made at the time the transaction is initiated, the cash proceeds to resolve the charge are not deposited to the merchant's bank until the settlement date, which occurs from one to four days later.
2. A **convenience fee**. This charge to a customer's account is made at the time of the sale. A convenience fee may be assessed by an agency or authorized agent to approximately cover the cost of handling a credit card transaction processed through the State Portal or another Web-based medium. This fee is always added to the amount of the underlying transaction and must, for any given agency and any given period, be a flat or fixed amount regardless of the transaction type or transaction amount.
3. A **chargeback**. A chargeback occurs when a customer advises the card issuer of his or her intent not to honor a charge made to his or her account. In response to this, the issuer will withdraw funds previously deposited into the merchant's bank account.
4. A **discount fee**. This type of charge is assessed to a merchant by a credit card issuer or authorized agent. The discount fee is assessed as a percentage of the total transaction amount. Discount fees are often charged directly to the merchant's bank account on a monthly basis, but they may also be invoiced. In some cases, remittances are reduced by the discount fee at the time the net deposit is made in the merchant's bank account.

The approved discount fee limit is established annually by the OST; the limit in effect for the fiscal year ending June 30, 2007, is 2.20%.

The approved discount fee as it applies to the underlying transaction amount (that is to say the amount of the transaction not including the convenience fee) is to be posted as an offset to revenue; discount fees in excess of the approved limit are to be expensed.

5. A **processing fee**. This type of charge is assessed to a merchant by an entity other than the credit card issuer. It is assessed as a flat rate for each transaction. As with the discount fees, processing fees are often charged directly to the merchant's bank account, but they may also be invoiced. There may be some cases in which remittances are reduced by the processing fee related to that transaction at the time of settlement.

The approved processing fee limit is established annually by the OST; the limit in effect for the fiscal year ending June 30, 2007, is \$0.25 per transaction. The approved processing fee is to be posted as an offset to revenue; processing fees in excess of the approved limit are to be expensed.

6. A **non-transactional fee**. This type of charge is assessed to a merchant by a card issuer, processing financial institution or other entity. Though related to credit card processing as a whole, non-transactional fees are not directly related to a given transaction or its dollar volume. An example of a non-transactional fee would be the rent a merchant pays to use credit card processing terminals. These, too, can be charged directly to the merchant's bank account or can be assessed and collected by more traditional means (invoiced).

In the two sections that follow, you will find examples of each of the six transaction types and the transaction codes, account numbers and entries needed to record each of them. A reference letter identifies each entry. Note that not all transaction types apply to both methods of processing credit cards, so depending on which method the agency is using will determine which transaction types might occur.

The transactions shown are fairly simple and straightforward to make them easy to follow and understand. Please contact your GAO Liaison if you need further assistance in recording more complex transactions (such as splitting the revenue between multiple funds and/or COBJs).

## ***Section I: How to Account for Credit Card Activity Not Processed through the Arizona State Portal***

The information in this section applies to credit card transactions that are not processed through the Arizona State Portal. This would include transactions completed over-the-counter, by telephone or by mail; they also include transactions completed on-line using a Web-based medium other than the State Portal. Transactions of this nature require manual intervention and processing by both the originating agency and the Office of the State Treasurer (OST).

For those agencies processing through the State Portal, the recording of remittances, convenience fees, discount fees, processing fees, and chargebacks will differ and is discussed in Section II of this document.

### ***How to Account for Remittance Fees***

#### Scenario

A citizen pays for a permit at the merchant's location using a credit card. The charge for the permit is \$100.00. The agency records its permit and license revenues in Fund 8008. The agency does not accept credit card payments on-line (through the State Portal or another Web-based medium), so it cannot charge any convenience fees.

Several days after the \$100.00 credit card sale, the OST receives the cash settlement. The OST will record the transaction in Fund 2600 (Credit Card Clearing Fund) and send the agency a Favorable Credit Card Adjustment form (FCC) indicating the gross receipts made to the agency's credit card account that day.

#### Record the remittance (Transaction recorded by OST)

| Fund           | Using Form:                            | FCC | Using TC: | 198 | GL   | COBJ | Dr.    | Cr.    |
|----------------|--|-----|-----------|-----|------|------|--------|--------|
| 2600           | Entry to record deposit with Treasurer |     |           |     |      |      |        |        |
|                | Cash on Deposit with Treasurer         |     |           |     | 0070 |      | 100.00 |        |
|                | Treasurer's Credit Card Clearing       |     |           |     | 1534 |      |        | 100.00 |
| <b>Entry A</b> |  |     |           |     |      |      |        |        |

Entry A records the cash settlement of prior credit card transactions.

#### Record the transfer to reverse the entry by the OST and record revenues (Transaction recorded by Agency)

| Fund   | Using Form:                                   | 514/614 | Using TC: | 341 | GL   | COBJ | Dr.    | Cr.    |
|--|---|---------|-----------|-----|------|------|--------|--------|
| 2600   | Transfer to reverse deposit entry made by OST |         |           |     |      |      |        |        |
|  | Treasurer's Credit Card Clearing              |         |           |     | 1534 |      | 100.00 |        |
|  | Cash on Deposit with Treasurer                |         |           |     | 0070 |      |        | 100.00 |
| <b>Entry B1 – left side of transfer form</b> |   |         |           |     |      |      |        |        |

| Fund  | Using Form:  | 514/614 | Using TC: | 323 | GL   | COBJ | Dr.    | Cr.    |
|---|--|---------|-----------|-----|------|------|--------|--------|
| 8008  | Transfer to record cash and revenue in agency fund |         |           |     |      |      |        |        |
|   | Cash on Deposit with Treasurer                     |         |           |     | 0070 |      | 100.00 |        |
|   | Realized Revenue Control – Cash                    |         |           |     | 3100 | 4339 |        | 100.00 |
| <b>Entry B2 – right side of transfer form</b> |  |         |           |     |      |      |        |        |

Entries B1 and B2 are made at the same time using the same transfer form. Entry B1 represents the left side of the transfer form and reverses a portion of the entry recorded by the OST. Entry B2 represents the right side of the transfer form and is the allocation of the cash and revenues to the applicable fund (or funds) utilizing the appropriate COBJ for the transaction originally processed. The agency allocates such license revenues to its fund 8008 using COBJ 4339.

## *How to Account for a Chargeback*

### Scenario

On the same date the receipt of \$100.00 was deposited by the OST, a chargeback of \$25.00 was posted to the agency's account. The original charge was for \$25.00 in licensing fees. The OST records the transaction using TC 783 (Treasurer's TC – CC Fees and Chargeback) and will transmit an Unfavorable Credit Card Adjustment form (UCC) to the agency.

### Record the chargeback (Transaction recorded by OST)

| Fund           | Using Form: UCC                           | Using TC: 783 | GL   | COBJ | Dr.   | Cr.   |
|----------------|---|---------------|------|------|-------|-------|
| 2600           | Entry to record chargeback with Treasurer |               |      |      |       |       |
|                | Treasurer's Credit Card Clearing          |               | 1534 |      | 25.00 |       |
|                | Cash on Deposit with Treasurer            |               | 0070 |      |       | 25.00 |
| <b>Entry C</b> |   |               |      |      |       |       |

Entry C records the full amount of the chargeback.

### Record the transfer to reverse the entry by the OST and record reduction of revenues (Transaction recorded by Agency)

| Fund   | Using Form: 514/614                              | Using TC: 341R | GL   | COBJ | Dr.   | Cr.   |
|--|--|----------------|------|------|-------|-------|
| 2600   | Transfer to reverse chargeback entry made by OST |                |      |      |       |       |
|  | Cash on Deposit with Treasurer                   |                | 0070 |      | 25.00 |       |
|  | Treasurer's Credit Card Clearing                 |                | 1534 |      |       | 25.00 |
| <b>Entry D1 – left side of transfer form</b> |  |                |      |      |       |       |

| Fund  | Using Form: 514/614                                    | Using TC: 323R | GL   | COBJ | Dr.   | Cr.   |
|---|--|----------------|------|------|-------|-------|
| 8008  | Transfer to record reduction of revenue in agency fund |                |      |      |       |       |
|   | Realized Revenue Control – Cash                        |                | 3100 | 4339 | 25.00 |       |
|   | Cash on Deposit with Treasurer                         |                | 0070 |      |       | 25.00 |
| <b>Entry D2 – right side of transfer form</b> |  |                |      |      |       |       |

Entries D1 and D2 are made at the same time using the same transfer form. Entry D1 represents the left side of the transfer form and reverses the entry recorded by the OST. Entry D2 represents the right side of the transfer form and is the allocation of the reduction of cash and revenues to the applicable fund (or funds) utilizing the appropriate COBJ that was used on the original transaction (remittance).

## How to Account for Discount Fees

### Scenario

An agency's credit card bank account is charged an \$11.50 fee, which calculates out to 2.30% of the preceding month's \$500.00 in credit card activity. The processing financial institution breaks out the \$11.50 charge into \$10.35 for discount fees and \$1.15 in processing fees (processing fees are what the processing financial institution defines them as). Since processing fees are defined in State law as fees charged by an entity other than a credit card issuer or processing financial institution, the \$1.15 charge must, in this case, be considered a discount fee no matter how the processing financial institution identifies it.

The transaction is recorded by the OST using TC 783 (Treasurer's TC – CC Fees and Chargebacks) and an Unfavorable Credit Card Adjustment form (UCC) is transmitted to the agency with each of the charges separately identified. It is important to note that when determining the percentage of discount fees charged for any given period, the percentage should not be rounded to the nearest percent, but rather to the nearest hundredth of a percent.

### Record the discount fees charged (Transaction recorded by OST)

| Fund           | Using Form: UCC                              | Using TC: 783 | GL   | COBJ | Dr.   | Cr.   |
|----------------|--|---------------|------|------|-------|-------|
| 2600           | Entry to record discount and processing fees |               |      |      |       |       |
|                | Treasurer's Credit Card Clearing             |               | 1534 |      | 11.50 |       |
|                | Cash on Deposit with Treasurer               |               | 0070 |      |       | 11.50 |
| <b>Entry E</b> |  |               |      |      |       |       |

Entry E records the total of both the discount fee and processing fee charged to the merchant account.

### Record the transfer to reverse the entry by the OST and record the discount fees as offset to revenues or as expenditure (Transaction recorded by Agency)

| Fund   | Using Form: 514/614                                      | Using TC: 341R | GL   | COBJ | Dr.   | Cr.   |
|--|--|----------------|------|------|-------|-------|
| 2600   | Transfer to reverse <b>discount fees</b> recorded by OST |                |      |      |       |       |
|  | Cash on Deposit with Treasurer                           |                | 0070 |      | 11.00 |       |
|  | Treasurer's Credit Card Clearing                         |                | 1534 |      |       | 11.00 |
| <b>Entry F1 – left side of transfer form</b> |  |                |      |      |       |       |

In entry F1, the \$11.00 was derived by multiplying the \$500.00 in credit card activity by the discount fee limit of 2.20%. The remaining \$.50 in discount fees must be recorded as an expenditure (see entries F3 and F4 below).

| Fund  | Using Form: 514/614                             | Using TC: 323R | GL   | COBJ | Dr.   | Cr.   |
|---|---|----------------|------|------|-------|-------|
| 8008  | Transfer to record <b>discount fees</b> charged |                |      |      |       |       |
|   | Realized Revenue Control – Cash                 |                | 3100 | 4645 | 11.00 |       |
|   | Cash on Deposit with Treasurer                  |                | 0070 |      |       | 11.00 |
| <b>Entry F2 – right side of transfer form</b> |   |                |      |      |       |       |

Entries F1 and F2 are made at the same time using the same transfer form. Entry F1 represents the left side of the transfer form and reverses part of the entry recorded by the OST. Entry F2 represents the right side of the transfer form and allocates the reduction of cash in the agency fund 8008 due to discount fees charged.

The fact that the discount fee is debited to the agency's revenue account using the new comptroller object, COBJ 4645 - Credit Card Discount Fees Paid, is worth noting. Discount fees not exceeding the approved limit are not to be

treated as an expense, but rather as an offset to revenue. Using this COBJ will allow agencies to account for both the correct total of their revenue and the amount of discount fees paid while enabling them to report their revenue net of transactions fees as required by statute. However, discount fees exceeding the approved limit must be expensed, as shown in entries F3 and F4 below. COBJ 7554 – Credit Card Fees Over Approved Limit, has been established to record the expenditure.

| Fund   | Using Form: 514/614                                      | Using TC: 341R | GL   | COBJ | Dr.  | Cr.  |
|--|--|----------------|------|------|------|------|
| 2600   | Transfer to reverse <b>discount fees</b> recorded by OST |                |      |      |      |      |
|  | Cash on Deposit with Treasurer                           |                | 0070 |      | 0.50 |      |
|  | Treasurer's Credit Card Clearing                         |                | 1534 |      |      | 0.50 |
| <b>Entry F3 – left side of transfer form</b> |  |                |      |      |      |      |

| Fund  | Using Form: 514/614                             | Using TC: 324 | GL   | COBJ | Dr.  | Cr.  |
|---|---|---------------|------|------|------|------|
| 8008  | Transfer to record <b>discount fees</b> charged |               |      |      |      |      |
|   | Expenditure Control – Cash                      |               | 3500 | 7554 | 0.50 |      |
|   | Cash on Deposit with Treasurer                  |               | 0070 |      |      | 0.50 |
| <b>Entry F4 – right side of transfer form</b> |   |               |      |      |      |      |

## *How to Account for a Non-transactional Fee*

### Scenario

An agency's credit card bank account is charged \$20.00 as monthly rental of its credit card processing terminal. The OST will issue an Unfavorable Credit Card Adjustment form (UCC) to notify the agency of the charge.

### Recording the non-transactional fee (Transaction recorded by OST)

| Fund           | Using Form: UCC                    | Using TC: 783 | GL   | COBJ | Dr.   | Cr.   |
|----------------|------------------------------------|---------------|------|------|-------|-------|
| 2600           | Entry to record CC terminal rental |               |      |      |       |       |
|                | Treasurer's Credit Card Clearing   |               | 1534 |      | 20.00 |       |
|                | Cash on Deposit with Treasurer     |               | 0070 |      |       | 20.00 |
| <b>Entry G</b> |                                    |               |      |      |       |       |

Entry G records the rental fees charged to the agency credit card ZBA account.

### Record the transfer to reverse the entry by the OST and record the processing terminal charges (Transaction recorded by Agency)

| Fund   | Using Form: 514/614                               | Using TC: 341R | GL   | COBJ | Dr.   | Cr.   |
|--|---|----------------|------|------|-------|-------|
| 2600   | Transfer to reverse rental charge recorded by OST |                |      |      |       |       |
|  | Cash on Deposit with Treasurer                    |                | 0070 |      | 20.00 |       |
|  | Treasurer's Credit Card Clearing                  |                | 1534 |      |       | 20.00 |
| <b>Entry H1 – left side of transfer form</b> |   |                |      |      |       |       |

| Fund  | Using Form: 514/614                               | Using TC: 324 | GL   | COBJ | Dr.   | Cr.   |
|---|---|---------------|------|------|-------|-------|
| 8008  | Transfer to reverse rental charge recorded by OST |               |      |      |       |       |
|   | Expenditure Control – Cash                        |               | 3500 | 7229 | 20.00 |       |
|   | Cash on Deposit with Treasurer                    |               | 0070 |      |       | 20.00 |
| <b>Entry H2 – right side of transfer form</b> |   |               |      |      |       |       |

Unlike discount and processing fees, non-transactional fees are **not** to be treated as offsets to revenue; they must be handled like any other expense. The expenditure transfer TC 324 is used, and in this example, the expenditure COBJ 7229 has been used.

## Putting It All Together

T-accounts will demonstrate how the entries shown above combine with those made by the State Treasurer to achieve the desired results. In the transactions shown, the agency entries appear as normal text; *the entries made by the OST are in bold italics.*

### FUND 2600

| GL 0070<br>Cash on Deposit with Treasurer |               |               |          | GL 1534<br>Treasurer's Credit Card Clearing |               |               |          |
|---|---------------|---------------|----------|---|---------------|---------------|----------|
| <b>A</b>                                  | <b>100.00</b> |               |          |   |               | <b>100.00</b> | <b>A</b> |
|   |               | 100.00        | B1       | B1  | 100.00        |               |          |
|   |               | <b>25.00</b>  | <b>C</b> | <b>C</b>                                    | <b>25.00</b>  |               |          |
| D1  | 25.00         |               |          |   |               | 25.00         | D1       |
|   |               | <b>11.50</b>  | <b>E</b> | <b>E</b>                                    | <b>11.50</b>  |               |          |
| F1  | 11.00         |               |          |   |               | 11.00         | F1       |
| F3  | 0.50          |               |          |   |               | 0.50          | F3       |
|   |               | <b>20.00</b>  | <b>G</b> | <b>G</b>                                    | <b>20.00</b>  |               |          |
| H1  | 20.00         |               |          |   |               | 20.00         | H1       |
|   | <u>156.50</u> | <u>156.50</u> |          |   | <u>156.50</u> | <u>156.50</u> |          |

### FUND 8008

| GL 0070<br>Cash on Deposit with Treasurer |               |              |    | GL 3100<br>Realized Revenue Control – Cash |              |               |    |
|---|---------------|--------------|----|--|--------------|---------------|----|
| B2  | 100.00        |              |    |  |              | 100.00        | B2 |
|   |               | 25.00        | D2 | D2   | 25.00        |               |    |
|   |               | 11.00        | F2 | F2   | 11.00        |               |    |
|   |               | 0.50         | F4 |  |              |               |    |
|   |               | 20.00        | H2 |  |              |               |    |
|   | <u>100.00</u> | <u>56.50</u> |    |  | <u>36.00</u> | <u>100.00</u> |    |

| FUND 8008 GL 3500<br>Expenditure Control - Cash |              |             |  |
|---|--------------|-------------|--|
| F4  | 0.50         |             |  |
| H2  | 20.00        |             |  |
|   | <u>20.50</u> | <u>0.00</u> |  |

| <u>Reference</u> | <u>Description</u>   | <u>Made by</u>   |
|------------------|--|------------------|
| <b>A</b>         | <b>Recording of credit card remittance</b>                       | <b>Treasurer</b> |
| B1/B2            | First transfer entry to record remittance                        | Agency           |
| <b>C</b>         | <b>Recording of credit card chargeback</b>                       | <b>Treasurer</b> |
| D1/D2            | First transfer entry to record chargeback                        | Agency           |
| <b>E</b>         | <b>Recording of discount and processing fees</b>                 | <b>Treasurer</b> |
| F1/F2            | First transfer entry recording discount fees (offset to revenue) | Agency           |
| F3/F4            | Second transfer entry recording discount fees (expenditure)      | Agency           |
| <b>G</b>         | <b>Recording of non-transactional fee</b>                        | <b>Treasurer</b> |
| H1/H2            | Transfer entry recording non-transactional fee                   | Agency           |

## *How to Account for Remittances and Convenience Fees Using a Web-based Medium (Non State Portal)*

### Scenario

An agency contracts with an authorized agent to administer credit card transactions for them over the internet. A citizen pays for a permit on-line using a credit card. The charge for the permit is \$100.00. The agency attributes its permit and license revenues to Fund 8008. The agency also charges a flat convenience fee of \$3.00 per credit card transaction.

Several days after the \$103.00 credit card sale, the treasury receives the cash settlement. The OST will record the transaction in Fund 2600 (Credit Card Clearing Fund) and send the agency a Favorable Credit Card Adjustment form (FCC) indicating the gross receipts made to the agency's credit card account that day.

### Record the remittance (Transaction recorded by OST)

| Fund           | Using Form: FCC                        | Using TC: 198 | GL   | COBJ | Dr.    | Cr.    |
|----------------|--|---------------|------|------|--------|--------|
| 2600           | Entry to record deposit with Treasurer |               |      |      |        |        |
|                | Cash on Deposit with Treasurer         |               | 0070 |      | 103.00 |        |
|                | Treasurer's Credit Card Clearing       |               | 1534 |      |        | 103.00 |
| <b>Entry A</b> |  |               |      |      |        |        |

Entry A records the cash settlement of prior credit card transactions. Note that the settlement amount includes the convenience fee charged to the citizen.

### Record the transfer to reverse the entry by the OST and record revenues (Transaction recorded by Agency)

| Fund   | Using Form: 514/614                           | Using TC: 341 | GL   | COBJ | Dr.    | Cr.    |
|--|---|---------------|------|------|--------|--------|
| 2600   | Transfer to reverse deposit entry made by OST |               |      |      |        |        |
|  | Treasurer's Credit Card Clearing              |               | 1534 |      | 100.00 |        |
|  | Cash on Deposit with Treasurer                |               | 0070 |      |        | 100.00 |
| <b>Entry B1 – left side of transfer form</b> |   |               |      |      |        |        |

| Fund  | Using Form: 514/614                                | Using TC: 323 | GL   | COBJ | Dr.    | Cr.    |
|---|--|---------------|------|------|--------|--------|
| 8008  | Transfer to record cash and revenue in agency fund |               |      |      |        |        |
|   | Cash on Deposit with Treasurer                     |               | 0070 |      | 100.00 |        |
|   | Realized Revenue Control – Cash                    |               | 3100 | 4339 |        | 100.00 |
| <b>Entry B2 – right side of transfer form</b> |  |               |      |      |        |        |

Entries B1 and B2 are made at the same time using the same transfer form. Entry B1 represents the left side of the transfer form and reverses a portion of the entry recorded by the OST. Entry B2 represents the right side of the transfer form and is the allocation of the cash and revenues to the applicable fund (or funds) utilizing the appropriate COBJ for the transaction originally processed. Only the sale of the permit is shown above and the agency allocates such permit revenues to its fund 8008 using COBJ 4339.

| Fund   | Using Form: 514/614                         | Using TC: 341 | GL   | COBJ | Dr.  | Cr.  |
|--|---|---------------|------|------|------|------|
| 2600   | Transfer to reverse deposit recorded by OST |               |      |      |      |      |
|  | Treasurer's Credit Card Clearing            |               | 1534 |      | 3.00 |      |
|  | Cash on Deposit with Treasurer              |               | 0070 |      |      | 3.00 |
| <b>Entry B3 – left side of transfer form</b> |   |               |      |      |      |      |

| Fund  | Using Form: 514/614                                | Using TC: 323 | GL   | COBJ | Dr.  | Cr.  |
|---|--|---------------|------|------|------|------|
| 8008  | Transfer to record cash and revenue in agency fund |               |      |      |      |      |
|   | Cash on Deposit with Treasurer                     |               | 0070 |      | 3.00 |      |
|   | Realized Revenue Control – Cash                    |               | 3100 | 4649 |      | 3.00 |
| <b>Entry B4 – right side of transfer form</b> |  |               |      |      |      |      |

Entries B3 and B4 are also made at the same time and on the same transfer form as entries B1 and B2. Entry B3 represents the left side of the transfer form and reverses the remainder of the entry recorded by the OST. Entry B4 represents the right side of the transfer form and is the allocation of the cash and revenues to the appropriate fund (or funds). Note that COBJ 4649 – Credit Card Convenience Fees Revenue, has been used and is shown as an addition to the revenue general ledger account.

## *How to Account for a Chargeback Using a Web-based Medium (Non State Portal)*

### Scenario

On the same date the receipt of \$103.00 was deposited by the OST, a chargeback of \$28.00 was posted to the agency's account. The breakdown of the original charge was \$25.00 in licensing fees and \$3.00 in convenience fees charged. The OST records the transaction using TC 783 (Treasurer's TC – CC Fees and Chargebacks) and will transmit an Unfavorable Credit Card Adjustment form (UCC) to the agency.

### Record the chargeback (Transaction recorded by OST)

| Fund           | Using Form: UCC                           | Using TC: 783 | GL   | COBJ | Dr.   | Cr.   |
|----------------|---|---------------|------|------|-------|-------|
| 2600           | Entry to record chargeback with Treasurer |               |      |      |       |       |
|                | Treasurer's Credit Card Clearing          |               | 1534 |      | 28.00 |       |
|                | Cash on Deposit with Treasurer            |               | 0070 |      |       | 28.00 |
| <b>Entry C</b> |   |               |      |      |       |       |

Entry C records the full amount of the chargeback (both licensing fees and convenience fees).

### Record the transfer to reverse the entry by the OST and record reduction of revenues (Transaction recorded by Agency)

| Fund   | Using Form: 514/614                              | Using TC: 341R | GL   | COBJ | Dr.   | Cr.   |
|--|--|----------------|------|------|-------|-------|
| 2600   | Transfer to reverse chargeback entry made by OST |                |      |      |       |       |
|  | Cash on Deposit with Treasurer                   |                | 0070 |      | 25.00 |       |
|  | Treasurer's Credit Card Clearing                 |                | 1534 |      |       | 25.00 |
| <b>Entry D1 – left side of transfer form</b> |  |                |      |      |       |       |

| Fund  | Using Form: 514/614                                    | Using TC: 323R | GL   | COBJ | Dr.   | Cr.   |
|---|--|----------------|------|------|-------|-------|
| 8008  | Transfer to record reduction of revenue in agency fund |                |      |      |       |       |
|   | Realized Revenue Control – Cash                        |                | 3100 | 4339 | 25.00 |       |
|   | Cash on Deposit with Treasurer                         |                | 0070 |      |       | 25.00 |
| <b>Entry D2 – right side of transfer form</b> |  |                |      |      |       |       |

Entries D1 and D2 are made at the same time using the same transfer form. Entry D1 represents the left side of the transfer form and reverses a portion of the entry recorded by the OST. Entry D2 represents the right side of the transfer form and is the allocation of the reduction of cash and revenues to the applicable fund (or funds) utilizing the appropriate COBJ for the revenue. Only the chargeback of the license fees is shown above and the agency allocates such license revenues to its fund 8008 using COBJ 4339.

| Fund   | Using Form: 514/614                              | Using TC: 341R | GL   | COBJ | Dr.  | Cr.  |
|--|--|----------------|------|------|------|------|
| 2600   | Transfer to reverse chargeback entry made by OST |                |      |      |      |      |
|  | Cash on Deposit with Treasurer                   |                | 0070 |      | 3.00 |      |
|  | Treasurer's Credit Card Clearing                 |                | 1534 |      |      | 3.00 |
| <b>Entry D3 – left side of transfer form</b> |  |                |      |      |      |      |

| Fund  | Using Form: 514/614                              | Using TC: 323R | GL   | COBJ | Dr.  | Cr.  |
|---|--|----------------|------|------|------|------|
| 8008  | Transfer to reverse chargeback entry made by OST |                |      |      |      |      |
|   | Realized Revenue Control – Cash                  |                | 3100 | 4649 | 3.00 |      |
|   | Cash on Deposit with Treasurer                   |                | 0070 |      |      | 3.00 |
| <b>Entry D4 – right side of transfer form</b> |  |                |      |      |      |      |

Entries D3 and D4 are also made at the same time and on the same transfer form as entries D1 and D2. Entry D3 represents the left side of the transfer form and reverses the remainder of the entry recorded by the OST. Entry D4 represents the right side of the transfer form and is the allocation of the reduction of cash and revenues to the appropriate fund (or funds) utilizing the appropriate COBJ for the revenue. The entries above are to record the reversal of convenience fees charged on the original credit card transaction. Note that COBJ 4649 – Credit Card Convenience Fees Revenue, has been used and will reduce the convenience fee revenues previously recorded.

## *How to Account for Discount and Processing Fees Using a Web-based Medium (Non State Portal)*

### Scenario

An agency's credit card bank account is charged an \$11.33 discount fee (2.20% of the preceding month's \$515.00 in credit card activity, inclusive of the convenience fee charges) and a \$1.25 processing fee (\$0.25 charged for each of the five transactions processed the prior month by the authorized agent). The transaction is recorded by the OST using TC 783 (Treasurer's TC – CC Fees and Chargeback) and an Unfavorable Credit Card Adjustment form (UCC) is transmitted to the agency, with each of the charges separately identified.

### Record the discount and processing fees charged (Transaction recorded by OST)

| Fund           | Using Form: UCC                              | Using TC: 783 | GL   | COBJ | Dr.   | Cr.   |
|----------------|--|---------------|------|------|-------|-------|
| 2600           | Entry to record discount and processing fees |               |      |      |       |       |
|                | Treasurer's Credit Card Clearing             |               | 1534 |      | 12.58 |       |
|                | Cash on Deposit with Treasurer               |               | 0070 |      |       | 12.58 |
| <b>Entry E</b> |  |               |      |      |       |       |

Entry E records the total of both the discount fee and processing fee charged to the merchant account.

### Record the transfer to reverse the entry by the OST and record the discount and processing fees as offset to revenues or as expenditure (Transaction recorded by Agency)

| Fund   | Using Form: 514/614                                      | Using TC: 341R | GL   | COBJ | Dr.   | Cr.   |
|--|--|----------------|------|------|-------|-------|
| 2600   | Transfer to reverse <b>discount fees</b> recorded by OST |                |      |      |       |       |
|  | Cash on Deposit with Treasurer                           |                | 0070 |      | 11.00 |       |
|  | Treasurer's Credit Card Clearing                         |                | 1534 |      |       | 11.00 |
| <b>Entry F1 – left side of transfer form</b> |  |                |      |      |       |       |

| Fund  | Using Form: 514/614                             | Using TC: 323R | GL   | COBJ | Dr.   | Cr.   |
|---|---|----------------|------|------|-------|-------|
| 8008  | Transfer to record <b>discount fees</b> charged |                |      |      |       |       |
|   | Realized Revenue Control – Cash                 |                | 3100 | 4645 | 11.00 |       |
|   | Cash on Deposit with Treasurer                  |                | 0070 |      |       | 11.00 |
| <b>Entry F2 – right side of transfer form</b> |   |                |      |      |       |       |

Entries F1 and F2 are made at the same time using the same transfer form. Entry F1 represents the left side of the transfer form and reverses part of the entry recorded by the OST. Entry F2 represents the right side of the transfer form and allocates the reduction of cash in the agency fund 8008 due to discount fees charged.

The fact that a portion of the discount fee is debited to the agency's revenue account using the new comptroller object, COBJ 4645 - Credit Card Discount Fees Paid is worth noting. Discount fees within the limit approved by the OST are not to be treated as an expense, but rather as an offset to revenue. Using this COBJ will allow agencies to account for both the correct total of their revenue and the amount of discount fees paid while enabling them to report their revenue net of transactions fees as required by statute. Note that in the example above, only that portion of discount fees attributable to the underlying transaction amount (WITHOUT including the convenience fees of \$15.00) is treated as an offset to revenue. The remainder of the discount fee is expensed as shown in entries F3 and F4 below. Note that COBJ 7554 – Credit Card Fees Over Approved Limit, has been used to record the expenditure.

| Fund   | Using Form: 514/614                                      | Using TC: 341R | GL   | COBJ | Dr.  | Cr.  |
|--|--|----------------|------|------|------|------|
| 2600   | Transfer to reverse <b>discount fees</b> recorded by OST |                |      |      |      |      |
|  | Cash on Deposit with Treasurer                           |                | 0070 |      | 0.33 |      |
|  | Treasurer's Credit Card Clearing                         |                | 1534 |      |      | 0.33 |
| <b>Entry F3 – left side of transfer form</b> |  |                |      |      |      |      |

| Fund  | Using Form: 514/614                             | Using TC: 324 | GL   | COBJ | Dr.  | Cr.  |
|---|---|---------------|------|------|------|------|
| 8008  | Transfer to record <b>discount fees</b> charged |               |      |      |      |      |
|   | Expenditure Control – Cash                      |               | 3500 | 7554 | 0.33 |      |
|   | Cash on Deposit with Treasurer                  |               | 0070 |      |      | 0.33 |
| <b>Entry F4 – right side of transfer form</b> |   |               |      |      |      |      |

Entries F5 and F6 (below) are made at the same time using the same transfer form. Entry F5 represents the left side of the transfer form and reverses the entry for processing fees recorded by the OST. Entry F6 represents the right side of the transfer form and allocates the reduction of cash in the agency fund 8008 for processing fees charged. As with discount fees shown above, processing fees within the limit approved by the OST are also debited to the agency's revenue account and treated as an offset to revenue. To record the entry for the processing fees, the agency will use the new comptroller object, COBJ 4647 - Credit Card Processing Fees Paid. Using this COBJ will allow agencies to account for processing fees separately from discount fees and assist in their quarterly reporting requirements. Note that in the example below, the entire amount of the processing fees is shown as a reduction of revenue. This is because the processing fees charged were within the approved limit set by the OST. If the fees charged were over the approved limit, the excess fees would be expensed to COBJ 7554 – Credit Card Fees Over Approved Limit, and recorded using TC 324.

| Fund   | Using Form: 514/614  | Using TC: 341R | GL   | COBJ | Dr.  | Cr.  |
|--|--|----------------|------|------|------|------|
| 2600   | Transfer to reverse <b>processing fees</b> recorded by OST |                |      |      |      |      |
|  | Cash on Deposit with Treasurer                             |                | 0070 |      | 1.25 |      |
|  | Treasurer's Credit Card Clearing                           |                | 1534 |      |      | 1.25 |
| <b>Entry F5 – left side of transfer form</b> |  |                |      |      |      |      |

| Fund  | Using Form: 514/614                               | Using TC: 323R | GL   | COBJ | Dr.  | Cr.  |
|---|---|----------------|------|------|------|------|
| 8008  | Transfer to record <b>processing fees</b> charged |                |      |      |      |      |
|   | Realized Revenue Control – Cash                   |                | 3100 | 4647 | 1.25 |      |
|   | Cash on Deposit with Treasurer                    |                | 0070 |      |      | 1.25 |
| <b>Entry F6 – right side of transfer form</b> |   |                |      |      |      |      |

## *How to Account for a Non-transactional Fee using a Web-based Medium (Non State Portal)*

### Scenario

An agency's credit card bank account is charged \$20.00 as monthly rental of its credit card processing terminal. The OST will issue an Unfavorable Credit Card Adjustment form (UCC) to notify the agency of the charge.

### Record the non-transactional fee (Transaction recorded by OST)

| Fund           | Using Form: UCC                    | Using TC: 783 | GL   | COBJ | Dr.   | Cr.   |
|----------------|------------------------------------|---------------|------|------|-------|-------|
| 2600           | Entry to record CC terminal rental |               |      |      |       |       |
|                | Treasurer's Credit Card Clearing   |               | 1534 |      | 20.00 |       |
|                | Cash on Deposit with Treasurer     |               | 0070 |      |       | 20.00 |
| <b>Entry G</b> |                                    |               |      |      |       |       |

Entry G records the rental fees charged to the agency credit card ZBA account.

### Record the transfer to reverse the entry by the OST and record the processing terminal charges (Transaction recorded by Agency)

| Fund   | Using Form: 514/614                               | Using TC: 341R | GL   | COBJ | Dr.   | Cr.   |
|--|---|----------------|------|------|-------|-------|
| 2600   | Transfer to reverse rental charge recorded by OST |                |      |      |       |       |
|  | Cash on Deposit with Treasurer                    |                | 0070 |      | 20.00 |       |
|  | Treasurer's Credit Card Clearing                  |                | 1534 |      |       | 20.00 |
| <b>Entry H1 – left side of transfer form</b> |   |                |      |      |       |       |

| Fund  | Using Form: 514/614                               | Using TC: 324 | GL   | COBJ | Dr.   | Cr.   |
|---|---|---------------|------|------|-------|-------|
| 8008  | Transfer to reverse rental charge recorded by OST |               |      |      |       |       |
|   | Expenditure Control – Cash                        |               | 3500 | 7229 | 20.00 |       |
|   | Cash on Deposit with Treasurer                    |               | 0070 |      |       | 20.00 |
| <b>Entry H2 – right side of transfer form</b> |   |               |      |      |       |       |

Unlike discount and processing fees, non-transaction fees are **not** to be treated as offsets to revenues; they must be handled like any other expense. The expenditure transfer TC 324 is used, and in this example, the expenditure COBJ 7229 has been used.

**Putting It All Together (Web-based Medium, Non State Portal)**

T-accounts will demonstrate how the entries shown above combine with those made by the State Treasurer to achieve the desired results. In the transactions shown, the agency entries appear as normal text; *the entries made by the OST are in bold italics.*

**FUND 2600**

| GL 0070<br>Cash on Deposit with Treasurer |               | GL 1534<br>Treasurer's Credit Card Clearing |                 |
|---|---------------|---|-----------------|
| <b>A</b>                                  | <b>103.00</b> |   |                 |
|   |               | 100.00 B1                                   |                 |
|   |               | 3.00 B3                                     |                 |
|   |               | <b>28.00 C</b>                              |                 |
| D1  | 25.00         |   | 25.00 D1        |
| D3  | 3.00          |   | 3.00 D3         |
|   |               | <b>12.58 E</b>                              |                 |
| F1  | 11.00         |   | 11.00 F1        |
| F3  | 0.33          |   | 0.33 F3         |
| F5  | 1.25          |   | 1.25 F5         |
|   |               | <b>20.00 G</b>                              |                 |
| H1  | 20.00         |   | 20.00 H1        |
|   |               |   |                 |
|   | <b>163.58</b> |   | <b>163.58 A</b> |
|   | 163.58        |   | 163.58          |

**FUND 8008**

| GL 0070<br>Cash on Deposit with Treasurer |               | GL 3100<br>Realized Revenue Control - Cash |              |
|---|---------------|--|--------------|
| B2  | 100.00        |  | 100.00 B2    |
| B4  | 3.00          |  | 3.00 B4      |
|   |               | 25.00 D2                                   |              |
|   |               | 3.00 D4                                    |              |
|   |               | 11.00 F2                                   |              |
|   |               | 0.33 F4                                    |              |
|   |               | 1.25 F6                                    |              |
|   |               | 20.00 H2                                   |              |
|   |               |  |              |
|   | <b>103.00</b> |  | <b>40.25</b> |
|   | 60.58         |  | 103.00       |

| FUND 8008 GL 3500<br>Expenditure Control - Cash |              |
|---|--------------|
| F4  | 0.33         |
| H2  | 20.00        |
|   |              |
|   | <b>20.33</b> |
|   | 0.00         |

| <u>Reference</u> | <u>Description</u>   | <u>Made by</u>          |
|------------------|--|-------------------------|
| <b>A</b>         | <b><i>Recording of credit card remittance</i></b>                  | <b><i>Treasurer</i></b> |
| B1/B2            | First transfer entry to record remittance                          | Agency                  |
| B3/B4            | Second transfer entry to record remittance (convenience fee)       | Agency                  |
| <b>C</b>         | <b><i>Recording of credit card chargeback</i></b>                  | <b><i>Treasurer</i></b> |
| D1/D2            | First transfer entry to record chargeback                          | Agency                  |
| D3/D4            | Second transfer entry to record chargeback (convenience fee)       | Agency                  |
| <b>E</b>         | <b><i>Recording of discount and processing fees</i></b>            | <b><i>Treasurer</i></b> |
| F1/F2            | First transfer entry recording discount fees (offset to revenue)   | Agency                  |
| F3/F4            | Second transfer entry recording discount fees (expenditure)        | Agency                  |
| F5/F6            | First transfer entry recording processing fees (offset to revenue) | Agency                  |
| <b>G</b>         | <b><i>Recording of non-transactional fee</i></b>                   | <b><i>Treasurer</i></b> |
| H1/H2            | Transfer entry recording non-transactional fee                     | Agency                  |

## ***Section II: How to Account for Credit Card Activity Processed Through the Arizona State Portal***

The information set out in this section applies to those agencies processing credit card transactions through the State Portal. The recording of remittances and convenience fees will be automatically processed and downloaded into the Arizona Financial Information System (AFIS). Discount fees and processing fees associated with these transactions will be billed to the agency by IBM (the authorized agent) and must be paid by warrant or ACH. Chargebacks for these transactions will be processed through the OST as Unfavorable Credit Card Adjustments and will require manual entry by the agency to allocate to the appropriate fund, index/PCA, etc.

### ***State Portal Automatic Accounting for a Remittance and Convenience Fees***

#### Scenario

An agency utilizes the State Portal for credit card processing. A citizen pays for a permit using a credit card through the State Portal. The charge for the permit is \$100.00. The agency records its permit and license revenues in Fund 8008 using COBJ 4339. The agency also charges a flat convenience fee of \$3.00 per credit card transaction.

The State Portal will allocate the revenues among the various funds, index/PCA's, and COBJs the agency has previously identified by the type of transaction processed. The State Portal will automatically download the allocations when the settlement date occurs. Manual keying of the deposit into AFIS by either the agency or the OST will not be required. The OST does require the agency to record the total amount of the deposit on a GAO-505 form to be stamped and cleared by the OST. The deposit form must be filled out to match the entries in AFIS; different accounting allocations must be split into separate transactions (i.e. different index/PCA or COBJ codes). If different document numbers exist in one batch, those documents must be recorded on separate GAO-505 forms.

#### Record the remittance (Transaction recorded by the State Portal)

| Fund           | Using Form:                            | N/A | Using TC: | 168 | GL   | COBJ | Dr.    | Cr.    |
|----------------|--|-----|-----------|-----|------|------|--------|--------|
| 8008           | Entry to record deposit with Treasurer |     |           |     |      |      |        |        |
|                | Cash on Deposit with Treasurer         |     |           |     | 0070 |      | 103.00 |        |
|                | Realized Revenue Control - Cash        |     |           |     | 3100 | 4339 |        | 100.00 |
|                | Realized Revenue Control - Cash        |     |           |     | 3100 | 4649 |        | 3.00   |
| <b>Entry A</b> |  |     |           |     |      |      |        |        |

Note that COBJ 4649 – Credit Card Convenience Fees Revenue, has been used to record the convenience fees charged to the citizen.

## *How to Account for a Chargeback (State Portal)*

### Scenario

On the same date the receipt of \$103.00 was recorded automatically by the State Portal, a chargeback of \$28.00 was posted to the agency's account. The breakdown of the original charge was \$25.00 in licensing fees and \$3.00 in convenience fees charged. The OST records the transaction using TC 783 (Treasurer's TC – CC fees and chargeback) and will transmit an Unfavorable Credit Card Adjustment form (UCC) to the agency.

### Record the chargeback (Transaction recorded by OST)

| Fund           | Using Form: UCC                           | Using TC: 783 | GL   | COBJ | Dr.   | Cr.   |
|----------------|---|---------------|------|------|-------|-------|
| 2600           | Entry to record chargeback with Treasurer |               |      |      |       |       |
|                | Treasurer's Credit Card Clearing          |               | 1534 |      | 28.00 |       |
|                | Cash on Deposit with Treasurer            |               | 0070 |      |       | 28.00 |
| <b>Entry B</b> |   |               |      |      |       |       |

Entry B records the full amount of the chargeback.

### Record the transfer to reverse the entry by the OST and record reduction of revenues (Transaction recorded by Agency).

| Fund   | Using Form: 514/614                              | Using TC: 341R | GL   | COBJ | Dr.   | Cr.   |
|--|--|----------------|------|------|-------|-------|
| 2600   | Transfer to reverse chargeback entry made by OST |                |      |      |       |       |
|  | Cash on Deposit with Treasurer                   |                | 0070 |      | 25.00 |       |
|  | Treasurer's Credit Card Clearing                 |                | 1534 |      |       | 25.00 |
| <b>Entry C1 – left side of transfer form</b> |  |                |      |      |       |       |

| Fund  | Using Form: 514/614                                    | Using TC: 323R | GL   | COBJ | Dr.   | Cr.   |
|---|--|----------------|------|------|-------|-------|
| 8008  | Transfer to record reduction of revenue in agency fund |                |      |      |       |       |
|   | Realized Revenue Control – Cash                        |                | 3100 | 4339 | 25.00 |       |
|   | Cash on Deposit with Treasurer                         |                | 0070 |      |       | 25.00 |
| <b>Entry C2 – right side of transfer form</b> |  |                |      |      |       |       |

Entries C1 and C2 are made at the same time using the same transfer form. Entry C1 represents the left side of the transfer form and reverses a portion of the entry recorded by the OST. Entry C2 represents the right side of the transfer form and is the allocation of the reduction of cash and revenues to the applicable fund (or funds) utilizing the appropriate COBJ for the revenue. Only the chargeback of the license fees is shown above and the agency allocates such license revenues to its fund 8008 using COBJ 4339.

| Fund   | Using Form: 514/614                              | Using TC: 341R | GL   | COBJ | Dr.  | Cr.  |
|--|--|----------------|------|------|------|------|
| 2600   | Transfer to reverse chargeback entry made by OST |                |      |      |      |      |
|  | Cash on Deposit with Treasurer                   |                | 0070 |      | 3.00 |      |
|  | Treasurer's Credit Card Clearing                 |                | 1534 |      |      | 3.00 |
| <b>Entry C3 – left side of transfer form</b> |  |                |      |      |      |      |

| Fund  | Using Form: 514/614                              | Using TC: 323R | GL   | COBJ | Dr.  | Cr.  |
|---|--|----------------|------|------|------|------|
| 8008  | Transfer to reverse chargeback entry made by OST |                |      |      |      |      |
|   | Realized Revenue Control – Cash                  |                | 3100 | 4649 | 3.00 |      |
|   | Cash on Deposit with Treasurer                   |                | 0070 |      |      | 3.00 |
| <b>Entry C4 – right side of transfer form</b> |  |                |      |      |      |      |

Entries C3 and C4 are also made at the same time and on the same transfer form as entries C1 and C2. Entry C3 represents the left side of the transfer form and reverses the remainder of the entry recorded by the OST. Entry C4 represents the right side of the transfer form and is the allocation of the reduction of cash and revenues to the applicable fund (or funds) utilizing the appropriate COBJ for the revenue. The entries above are to record the reversal of convenience fees charged on the original credit card transaction. Note that COBJ 4649 – Credit Card Convenience Fees Revenue, has been used and will reduce the convenience fees revenues previously recorded.

## *How to Account for Discount and Processing Fees (State Portal)*

### Scenario

Credit card issuers (Visa, MC, American Express, Discover, etc) bill IBM for discount fees associated with credit card transactions processed through the State Portal (generally for a one month period of time). An agency accumulates \$11.33 in discount fees (2.20% of the preceding month's \$515.00 in credit card activity, inclusive of the convenience fee charges) and a \$1.25 processing fee (\$0.25 charged by IBM for each of the five transactions processed the prior month). IBM will send an invoice to the agency for the total amount of the discount fees and processing fees. A breakdown of these fees will be provided. The agency must determine if any of the discount fees or processing fees are over the approved limits and pay for the invoice via warrant or ACH.

### Record the claim to pay the discount and processing fees invoice (Transaction recorded by Agency)

| Fund   | Using Form: 504                              | Using TC: 220 | GL   | COBJ | Dr.   | Cr.   |
|--|--|---------------|------|------|-------|-------|
| 8008   | Entry to record discount and processing fees |               |      |      |       |       |
|  | Revenue Control - Accrued                    |               | 3101 | 4645 | 11.00 |       |
|  | Claims Payable                               |               | 1211 |      |       | 11.00 |
| 8008   | Revenue Control - Accrued                    |               | 3101 | 4647 | 1.25  |       |
|  | Claims Payable                               |               | 1211 |      |       | 1.25  |
| <b>Entry D1 – Revenue reduction portion of the claim</b> |  |               |      |      |       |       |

Entry D1 (above) illustrates how a portion of the claim should be processed, splitting the discount fees revenue reduction and processing fees revenue reduction into two separate COBJ's. Entry D2 (below) illustrates how the portion of the claim should be processed for the discount fees exceeding the approved limit.

| Fund   | Using Form: 504  | Using TC: 222/225 | GL   | COBJ | Dr. | Cr. |
|--|--|-------------------|------|------|-----|-----|
| 8008   | Entry to pay claim for discount fees over approved limit |                   |      |      |     |     |
|  | Expenditure Control - Accrued                            |                   | 3501 | 7554 | .33 |     |
|  | Claims Payable   |                   | 1211 |      |     | .33 |
| <b>Entry D2 – Expenditure portion of the claim</b> |  |                   |      |      |     |     |

Note that non-transactional fees will not apply to transactions processed through the State Portal.

## Putting It All Together (State Portal)

T-accounts will demonstrate how the entries shown above combine with those made by the State Treasurer to achieve the desired results. In the transactions shown, the agency entries appear as normal text; *the entries made by the OST are in bold italics*, and entries automatically processed through the State Portal are indicated with a double asterisk (\*\*).

### FUND 2600

| GL 0070 |       | Cash on Deposit with Treasurer |          |
|---------|-------|--------------------------------|----------|
|         |       | <b>28.00</b>                   | <b>B</b> |
| C1      | 25.00 |                                |          |
| C3      | 3.00  |                                |          |
|         |       | <hr/>                          |          |
|         | 28.00 | 28.00                          |          |

| GL 1534  |              | Treasurer's Credit Card Clearing |    |
|----------|--------------|----------------------------------|----|
| <b>B</b> | <b>28.00</b> |                                  |    |
|          |              | 25.00                            | C1 |
|          |              | 3.00                             | C3 |
|          |              | <hr/>                            |    |
|          | 28.00        | 28.00                            |    |

### FUND 8008

| GL 0070    |        | Cash on Deposit with Treasurer |    |
|------------|--------|--------------------------------|----|
| <b>**A</b> | 103.00 |                                |    |
|            |        | 25.00                          | C2 |
|            |        | 3.00                           | C4 |
|            |        | <hr/>                          |    |
|            | 103.00 | 28.00                          |    |

| GL 3100 |       | Realized Revenue Control – Cash |            |
|---------|-------|---------------------------------|------------|
|         |       | 103.00                          | <b>A**</b> |
| C2      | 25.00 |                                 |            |
| C4      | 3.00  |                                 |            |
|         |       | <hr/>                           |            |
|         | 28.00 | 103.00                          |            |

| GL 3101 |       | Revenue Control - Accrued |  |
|---------|-------|---------------------------|--|
| D1      | 11.00 |                           |  |
| D1      | 1.25  |                           |  |
|         |       | <hr/>                     |  |
|         | 12.25 |                           |  |

| GL 3501 |     | Expenditure Control – Accrued |  |
|---------|-----|-------------------------------|--|
| D2      | .33 |                               |  |
|         |     | <hr/>                         |  |
|         | .33 |                               |  |

| GL 1211 |  | Claims Payable |    |
|---------|--|----------------|----|
|         |  | 11.00          | D1 |
|         |  | 1.25           | D1 |
|         |  | .33            | D2 |
|         |  | <hr/>          |    |
|         |  | 12.58          |    |

| <u>Reference</u> | <u>Description</u>   | <u>Made by</u>   |
|------------------|--|------------------|
| **A              | Recording of credit card remittance (including convenience fee)              | State Portal     |
| <b>B</b>         | <b>Recording of credit card chargeback</b>                                   | <b>Treasurer</b> |
| C1/C2            | First transfer entry to record chargeback                                    | Agency           |
| C3/C4            | Second transfer entry to record chargeback (convenience fee)                 | Agency           |
| D1               | First claim entry recording discount and processing fees (offset to revenue) | Agency           |
| D2               | Second claim entry recording discount fees (expenditure)                     | Agency           |