

TIPS & TECHNIQUES

A SFMS Desk Manual

R*STARS: TREA.1
Revised: 02/19/09

DEPOSIT RECONCILIATION

POLICY

Statewide Financial Management Services policy states that deposit reconciliation is mandatory for all receipted accounts. Deposit reconciliation must be timely and, in regard to outgoing electronic funds transfers (EFT), it must be done within three business days unless an exception has been requested and granted. Agencies that want to send outgoing EFTs must sign a "Timely Processing of Outgoing Electronic Fund Transfers" form signifying their compliance to this policy. (Further discussion on EFTs is under the Electronic Funds Transfer section starting on page 8.)

OVERVIEW

Deposit Reconciliation is an R*STARS system process designed to ensure that monies are not spent prior to transactions being recorded to both Oregon State Treasury (OST) and R*STARS accounts and that cash and appropriation (if applicable) are available. Deposits, including incoming EFTs, are not available cash in R*STARS until the deposits are "reconciled" in the Deposit Reconciliation process. Briefly, this means the deposits are recognized at the bank and at OST and are then interfaced from OST's system to R*STARS. These interfaced transactions are then "matched" with R*STARS recorded entries. Once electronically matched, a transaction code (tcode) generates, which effects cash available for expenditure.

Concerning outgoing EFTs, if payments were being made using the warrant generation process, insufficient cash / appropriation would stop the generation of a warrant. The State Controller's Division is responsible for controlling cash and appropriation spending. The option for agencies to use outgoing EFTs is not to circumvent the R*STARS cash / appropriation controls.

The Deposit Reconciliation process refers to all transactions that affect the general ledger account 0065, Unreconciled Deposit. These transactions can be deposits, credit card transactions, NSF's, admin fees, investment activity, banking fees, debit/credit adjustments, electronic funds transfers, etc. All transactions effecting Deposit Reconciliation are referred to as "deposits" throughout this manual. Exceptions that apply to a specific type are indicated.

R*STARS performs a nightly process which creates an R*STARS Deposit Reconciliation Extract Table entry for each R*STARS deposit entered. Deposit information also interfaces nightly from OST's system and is formatted by R*STARS for insertion to the Deposit Extract Table. The Deposit Extract Table maintains the deposit data posted in R*STARS and/or received from OST. This data is maintained at the level required to perform the Deposit Reconciliation process.

The R*STARS nightly Deposit Reconciliation process looks for a match between R*STARS entered data and OST's interfaced data. Match criteria is based on the following:

- Agency Number
- OST Account Number - also known as the OST subaccount number (entered in the Agency Code 3 field on the accounting transaction)
- Deposit Number (entered in the Deposit # field on the accounting transaction)
- Amount

a) If a match is found, R*STARS performs the following:

- Changes the deposit record Release Status from an 'N' (not reconciled) to a 'Y' (reconciled).
- Generates tcode 332, Cash for Reconciled Deposits, effecting cash available for spending.

b) If a match does not exist between OST and R*STARS deposit information, the record will remain in a Release Status of 'N' until the agency corrects the deposit data and the system assigns a Release Status of 'Y'. If the information on R*STARS is correct, the agency would request a manual release from OST. OST will manually release the deposit by marking the deposit record with a Release Status of 'M' on the 12 screen (Manual Deposit Release). Once OST enters a release status of 'M', R*STARS will generate a tcode 332 in the nightly batch processing. The manual release that generates a tcode 332 will **always** be created for the R*STARS deposit amount only. Therefore, a manual release against an unmatched item in which there is a Bank amount, but the SFMS amount is blank, will not generate a financial impact to R*STARS.

Below are two Deposit Reconciliation examples.

1. An agency has collected money as revenue.

The agency filled out a deposit slip and took it to the bank. The agency records the financial event in R*STARS, at the Fund, Program, Organization and Object level using tcode 190, Receipt of Revenue not Accrued. Tcode 190 updates the following general ledger accounts:

DR Acct 0065 Unreconciled Deposit
CR Acct 3100 Revenue Control – Cash

The balance in the 0065 Unreconciled Deposit account does NOT represent cash available for making payments. The R*STARS posting for this transaction updates the appropriate revenue account with the correct classification information and posting level. It also updates the Cash Control Financial Table balance types for the fund information used on the transaction. Tcode 190 updates the following balance types:

<u>Balance Type</u>	<u>Description</u>
+12	Cash Revenues
+34	Unreconciled Deposit

R*STARS will calculate the cash available in the Cash Control Table for the posted fund by adding the increase to balance type 12 and subtracting the increase from balance type 34. This entry is designed to have no impact on available cash. It just posts to the appropriate Cash

Control Table balance type that represents the type of cash action taken (cash revenue in this example). The 63 screen (Cash Control Financial Inquiry) shows the impact by balance types. For help on how available cash is calculated, go to the 90 News/Help Table screen. Type Keyword "F33", Page "02".

For this example, the deposit "matches" in the nightly process and tcode 332 generates. Tcode 332 updates the following general ledger accounts:

DR Acct 0070 Cash on Deposit with Treasurer
CR Acct 0065 Unreconciled Deposit

Tcode 332 updates the following balance type:

<u>Balance Type</u>	<u>Description</u>
-34	Unreconciled Deposit

Tcode 332 impacts the Unreconciled Deposit balance type 34 as a minus. As R*STARS calculates the cash available in the Cash Control Table it will add the decrease from balance type 34. This entry offsets the earlier increase to the Unreconciled Deposit balance type created when recording the deposit. So now, the only balance type impacting available cash after these two tcodes is the increase to balance type 12. Thus, available cash increases making the deposit available for spending.

- An agency records an outgoing EFT using tcode 167R, Recog Outgoing ACH/Wire Transfer/Tres Fee:

DR Acct 3500 Recog Outgoing ACH/Wire Transfer/Trea Fee
CR Acct 0065 Unreconciled Deposit

<u>Balance Type</u>	<u>Description</u>
+15	Cash Expenditures
-34	Unreconciled Deposit

The "matched" EFT generated tcode 332 would:

DR Acct 0065 Unreconciled Deposit
CR Acct 0070 Cash on Deposit with Treasurer

<u>Balance Type</u>	<u>Description</u>
+34	Unreconciled Deposit

The final effect on available cash is a decrease.

TYPES OF TREASURY TRANSACTIONS INVOLVED WITH DEPOSIT RECONCILIATION

The types of OST transactions involved with the deposit reconciliation process are:

<u>Doc #Prefix</u>	<u>OST Transaction Type</u>
AT	On Us Transfer (deposit/withdrawal)
CA	ACH Deposit
CC	Credit Card Deposit
CO	ACH Credit Offset
CR	Credit Adjustment
CRE	Credit Inv Misc Income/Exp Reversal
CRI	Credit OSTF Withdrawals
CW	Incoming Wire
DA	ACH Withdrawal
DC	Credit Card Fee
DO	ACH Debit Offset
DP	Deposit
DR	Debit Adjustment
DRC	Debit Checks Inv Expense
DRE	Debit Inv Misc Income/Exp Reversals
DRI	Debit OSTF Contributions
DW	Wire Withdrawal
EI	Interest (paid or charged to agency accounts)
FEE	Treasury Banking Fees
IC	Administration Fees
LB	Lockbox Deposit
RC	ACH Returned Item Credit
RD	ACH Returned Item Debit

R*STARS TRANSACTION CODES SUBJECT TO DEPOSIT RECONCILIATION

R*STARS tcodes that are subject to deposit reconciliation do not record to general ledger account 0070, Cash on Deposit with Treasurer. They effect general ledger account 0065, Unreconciled Deposit. The following is a listing of R*STARS tcodes subject to the deposit reconciliation process. (The descriptions are as defined on the 28A Transaction Code Decision Profile.)

R*STARS Transaction Codes

140 - Receipt of Investment-Other/Mass Transit
141 - Coll of Ln/Note/Morg/Cont Rec-LT/Govt
142 - Coll of Ln/Note/Morg/Cont Rec-LT/Prop
146 - Coll of Interest Rec-Other Unbilled
147 - Coll of Interest Rec-Other Billed
148 - Coll of Interest Rec-Designated
149 - Cash Receipt/Sale of Fixed Asset - Prop
150 - Cash Rec for Return of Unreimb Advance
151 - Record Unidentified Receipt
155 - Subgrantee-Refund of Advance
160 - Collection A/R Billed-Dep Liability
162 - Record Receipt of Dep Liab no Doc Supp
165 - Record Receipt of Deposit Liability
167 - Recognition of Outgoing ACH/Wire Transfer
168 - Adjust Receipt of Deposit Liability
170 - Receipt of Deferred Revenue
172 - Refund of Expenditure
173 - Coll A/R Billed - Transfer In
175 - Coll Intergov Rec (Federal) Unbilled
176 - Collection A/R - Other Billed
177 - Collection A/R - Other Unbilled
178 - Collection Intergov Rec (Federal) Billed
179 - Collection Intergov Rec (Local) - Billed
182 - Recognize Interest Dist from Treasury
183 - Recognize Accrued Int., Purchased, Rec'd
184 - Collection A/R Expend Refund Billed
185 - Record Wire Transfer/ACH Transfer Out
187 - Record Transfer In from Suspense Account
189 - Pay Loss on Bonds/COP Call Expense
190 - Receipt of Revenue-Not Accrued
191 - Receipt for Miscellaneous Liability
192 - Issue Bond/COP-Government
406 - Reverse Unreconciled Deposit
790 - Remit Back-up Withholding to IRS
819 - Issue AFS Direct Deposit

R*STARS DEPOSIT NUMBER

The R*STARS Deposit # (Invoice Number after processed) is formatted as follows (some samples):

<u>Transaction Type</u>	<u>Deposit Number Format</u>
Deposit	DP plus 5-digit deposit slip number, i.e. DP12345.
Visa transaction	CC plus zero, a 5-digit Visa number and a 6-digit date, i.e. CC012345MMDDYY
Suspense transfer	AT plus 5-digit number OST's pre-numbered suspense form, i.e. AT07158
Investment interest	CRI plus 6-digit date MMDDYY, i.e. CRI021401
Treasury interest	EI plus 6-digits representing the last day of the month, i.e. EI022801

When an OST deposit transaction comes through the interface process, the system determines if there is a match between a lockbox or VISA deposit by looking at the D53 Titles Profile (Table I.D. VISA for both Lockbox and VISA). If the VISA or lockbox number matches the D53, the deposit number on OST's interface reformats with the current six-digit date (MMDDYY) added to the end and adds a zero after the first two characters, resulting in a 14 character reconfigured number. The R*STARS transaction entered must cite the 14-digit deposit number to complete the matching process of the Deposit Reconciliation sub-system. For example, a VISA number of CC03301 for February 14, 2001 reformats to CC003301021401.

Agencies must be sure to inform SFMS Operations when adding a new VISA or Lockbox account so that SFMS Operations can update the D53 table.

SETTING UP AGENCY CODE 3 (D36)

The D36 Agency Code 3 Profile is used to retrieve the OST account number for the deposit reconciliation process. The OST account number is one of the four elements used for matching R*STARS transactions to Treasury Post File information subject to the Deposit Reconciliation process. The remaining three elements are: Agency, Deposit Number, and Amount.

The OST account number established on the R*STARS Agency Code 3 Profile must match the account number(s) established at OST to accomplish a "match" in the deposit reconciliation process. OST's system requires a ten-digit number to post agency transactions to the corresponding OST fund. The format is as follows: the 3 digit agency number, 2 zero's, and the 5 digit account number. For example, agency 107 depositing to account 00401 would be formatted by OST's system as 1070000401. The last 5 digits (account number) directly corresponds with the Agency Code 3 number 00401 established in R*STARS for agency 107.

To use this process, agencies must establish an OST account number in the D36 Agency Code 3 Profile for each OST fund. OST uses the OST account number to post the deposit to the correct OST fund, however, the OST account number does not determine to which R*STARS fund (D23) the deposit will be posted.

It is the agency's classification structure, entered in the deposit transaction, that determines the R*STARS fund (D23) effected. The Agency Code 3's only purpose in R*STARS is to create a match with OST on the 12 screen. The key to the D36 Profile is Agency Number and Agency Code 3. The Agency Code 3 field is six digits in length with trailing spaces allowed. A title may also be entered for the profile. An example of an Agency Code 3 is:

AGENCY	581
AGENCY CODE 3	00401
TITLE	SPECIAL EDUCATION

As described above, the OST account number in the Agency Code 3 field of a transaction must match the account number passed from OST. This then allows R*STARS to generate the tcode 332 to effect 0070 Cash on Deposit with Treasurer, and thus record monies available for expenditure. An OST account number in the Agency Code 3 field is required on all transactions subject to the deposit reconciliation process (any transaction impacting general ledger account 0065 - Unreconciled Deposit). **If the OST account number is not present on the deposit transaction entered, the accounting entry must be reversed out and re-entered by the agency so that it can match OST's record.** There are two limitations to keep in mind when using Agency Code 3:

- 1) The 28A Transaction Code Decision Profile does not have the option to make Agency Code 3 mandatory upon entry of a deposit transaction. It is up to the user to remember to enter the Agency Code 3 OST account number when entering the transaction. If an Agency Code 3 OST account number is not entered at the time the deposit transaction is input, R*STARS cannot automatically match the entered transaction to OST's interface transaction. At this point, the 12 screen (Manual Deposit Release Screen) would reflect two "unmatched" records: OST's record as it was interfaced to R*STARS, and the R*STARS record with the Account Number field *blank*.

If this occurs the agency needs to reverse the transaction in error (as originally entered - without an Agency Code 3 OST account number) and re-enter it with the Agency Code 3 field completed.

- 2) Agency Code 3 is not an "enterable" field on all transaction entry screens. Several fast entry screens (screens that are set up to facilitate transaction entry) do not allow the entry of an Agency Code 3, but will allow it to be looked up by other coding block elements. Below is a recap of which screens allow an Agency Code 3 to be entered:

Screen #	Screen Title	Agency Code 3
504	Revenue/Receipts Transaction Entry	Yes
505	Pre-Enc/Enc Expend Transaction Entry	Yes
506	Single Vendor Fast Entry	No*
507	Multiple Vendor Fast Entry	No*
508	Multiple Invoice Fast Entry	No*
516	Open Document Fast Entry	No*

*In order to record Agency Code 3 on these transactions, it must be inferred from either the 24 Index Code Profile or the 26 Program Cost Account Profile (PCA).

For the Agency Code 3 example above, the agency has set up their 24 Index Code Profile to infer the Agency Code 3:

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AGENCY          581
APPN YEAR       01
INDEX           09361
TITLE           MEDICAL SERVICES
                *
                *
                *
AGENCY CODE 3   00401
    
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Because of the limitations described above, it is strongly recommended that agencies set up their PCAs or Indexes to look up an Agency Code 3.

ELECTRONIC FUNDS TRANSFER

An electronic funds transfer (EFT) is any movement of funds by nonpaper means. When referring to EFT transactions, it usually means transfers through an Automated ClearingHouse (ACH) or the Federal Reserve's Fedwire system.

A wire transfer is a same-day transfer of funds through the Federal Reserve's Fedwire system. Wire transfers are typically used when money must be transferred immediately, large amounts are transferred, it is imperative to be able to confirm receipt, and when international payments are made.

State agencies may receive monies electronically through wire transfers into an OST account at the bank. To insure that proper and timely credit for incoming wires is received, it is critical to notify the Cash Management Section using the Incoming Wire Notification form (C-10) found at the back of the Cash Management Manual.

All outgoing wires are to be initiated through OST's Cash Management Section. To establish a recurring wire, complete the Wire Transfer – Recurring Payments Setup form (C-11). To send recurring wires after they have been established, complete the Request for Wire Transfer – Recurring form (C-12). One time wire transfers require a Request for Wire Transfer – Non-Recurring form (C-13). Any wire transfers received after 10:30 a.m. will be considered a request for the next business day.

An Automated ClearingHouse (ACH) transaction is where a clearinghouse has arranged to pass payments electronically rather than by check.

Many agencies receive monies electronically through ACH into an OST account at the bank. Agencies must complete the appropriate Payment Information Form C-21 or C-22 and send it to the Banking Section, so that OST can identify the appropriate agency account in applying the receipt of funds. The ACH Vendor Payment System form (C-21) is to be used for the receipt of funds from Federal agencies unless the federal agency has its own form. The ACH Direct Deposits (C-22) form is to be used for all other payments.

STAN is the Treasury ACH Network software application for State agencies. It is used for the centralization of Automated ClearingHouse transactions through the OST. Agencies initiate and edit their own ACH transactions and transmit the batches to OST's base. ACH transactions that are internal to the State are stripped off before transmission to the bank to create an automated suspense transfer, resulting in the elimination of the manual suspense transfer form. Agencies must enter into an interagency agreement with OST to use STAN.

Agencies should work with OST to determine the best method available to take advantages of the opportunities of the ACH system. For additional details, see the OST's Cash Management Manual at their web site @ <http://www.ost.state.or.us/wrapfin.htm>, or call Cash Management at 503-378-4633.

DETERMINING IF AGENCY DEPOSITS ARE RECONCILED

The 12 screen (Manual Deposit Release) is an on-line inquiry screen of deposit information relative to R*STARS and OST. This screen displays the deposit amounts per OST and R*STARS and the status of the deposit. Items remain in the system until the data is purged. Deposits may have a status of:

- Y - Yes, the deposit is reconciled.
- N - No, the deposit is not reconciled.
- M - Manual release where OST manually releases the deposit.

Only OST has the authority to change the status of a deposit to "M". Deposit Reconciliation release requests (along with any backup documents) can be faxed to the OST's Banking section at 503-373-1179. If an agency has a question or wants to discuss items for release, they can call the Banking section at 503-378-4633.

DEPOSIT RECONCILIATION REPORTS AVAILABLE

The control report, DAFR3321 Deposit Reconciliation Control Report, is a cumulative list of all non-reconciled deposits by Account Number, Deposit Number, Treasury Fund Number, R*STARS Deposit Amount, and Treasury Deposit Amount.

Two requestable reports are available:

1. The DAFR3330 Deposit Reconciliation Record Report by Agency lists all deposits for an agency and their status (termed Recon Ind on this report). Special selects allow the agency to request reports for only those deposits with an "N" status, etc. The information on this report may be helpful when doing monthly cash reconciliations.
2. The DAFR3360 Deposit Reconciliation Record Report - All Agencies is a listing of all deposits and their status. SFMS Operations uses this for monthly cash reconciliations of shared OST funds. Agencies use this for monthly cash reconciliations of dedicated OST funds

For more information, refer to the SFMS Report Guide @ (<http://scd.das.state.or.us/sfmSPubs/rptguide.htm>).

RESEARCHING UNMATCHED DEPOSIT RECONCILIATION ITEMS

- On-line inquiry via the R*STARS 12 (Manual Deposit Release) and 13 (Deposit Research) screens
- Report: DAFR3330 Deposit Reconciliation Record Report by Agency, Special Select 1 = N
- Daily Control Report DAFR2261-Daily History Detail. This control report lists all transactions sent to the R*STARS history file during the previous nightly cycle.

Data Elements of the 12 screen (Manual Deposit Release)

- SFMS Date = effective date of transaction(s).
- Bank Date = transaction post date to R*STARS by OST interface.
- Treasury Fund - inferred from the R*STARS transaction(s).
- Bank Amount - usually composed of one transaction.
- SFMS Amount – R*STARS entry often composed of multiple transactions.

- Status - indicates if item has been matched/recognized as cash (GL 0070).
 - Y - Yes; dollars have been reclassified to GL 0070.
 - M - Manual release; SFMS dollars have been reclassified to GL 0070.
 - N - Unmatched; SFMS dollars still reside in GL 0065 (Unreconciled Deposit)*
 - A. Adjustment (not used in Oregon)

*(Note: Only SFMS dollars are in 0065, OST dollars are in "limbo".

Correction process of 'No Agency Code 3' (OST Account Number blank)

- Reverse the original entry(s) as previously entered - citing the same classification structure (no Agency Code 3).
- Reprocess the entry(s) correctly with an Agency Code 3.

Researching Bank Amount:

- Agency should have received documentation from OST. The documentation should have enough information for the user to determine the appropriate R*STARS entry(s) to be recorded.

Researching R*STARS Amount:

- If the R*STARS current document number is known (possibly referenced at time of entry on the deposit slip information), the 86 Document Transaction Inquiry screen will detail each line item for which the R*STARS amount is derived.
- If the R*STARS Batch Identification number was noted on the supporting documentation, it may be inquired upon by using the 84 Accounting Event Record Inquiry screen. Within the batch, review all sequence numbers that are associated with the specific Agency Number, Deposit Number, and Agency Code 3.
- If R*STARS Fund/Cash Fund is known, the 63 Cash Control Financial Inquiry screen may be used. Drill down on balance type 34 by positioning the cursor and pressing the F2 key. This brings up the 11 screen (Document Summary Inquiry). Page through by pressing F8 until the specific 12 screen SFMS Date is reached.
 - If there are only a few documents for the date researched, continue to use the drill down process until the lowest detail level (84 Accounting Event Record Inquiry) is reviewed.
 - If there are a lot of documents and each contains many line items (suffixes), an alternative is to print the list and look up each document number via the 37 screen (Document Tracking Inquiry). This screen reflects the amount by document. If a specific amount needs to be researched, then the 86 screen (Document Transaction Inquiry) may be used to get the detail transaction(s).

TRANSACTIONS WHICH END UP IN THE "BIT BUCKET"

A "bit bucket" occurs if a deposit is on the 12 screen with a status of 'M' or 'Y' and a transaction is later interfaced from OST or recorded in R*STARS carrying the same Agency Number, Account Number, and Deposit Number. The Deposit Reconciliation system is based on the assumption that each deposit number must be unique. Therefore, "duplicate" entries cannot be processed and are sent to the bit bucket and must be corrected. The agency's SFMS Agency Support Analyst will fax a copy of any bit bucket" report(s) to the agency. The agency needs to inform their SFMS Agency Support Analyst when the correcting transactions have been recorded.

Duplicate R*STARS Transaction (SFMS Side Bit Bucket):

An R*STARS duplicate entry will show up on Control Report DAFR3741 as “previously reconciled”. A duplicate would occur if an agency records a deposit number that has already been used and reconciled. In this case, any subsequent transactions will post to the proper financial tables (AP, AB, CC, etc.) but will not post to the detail/summary deposit reconciliation tables (will **not** appear on the 12 screen). Since tcode 332 only generates as a result of reconciled 12 screen entries, this reconciliation and the generated tcode 332 would never occur. Since no tcode 332 is generated, cash will never be reclassified from GL 0065 (Unreconciled Deposit) to GL 0070 (Cash on Deposit with Treasurer). SFMS Operations receives this report daily. Bit bucket items are identified and the respective agencies notified.

If no matching entry is expected to be interfaced from OST, the correction process requires that the agency reverse the entry(s) exactly as posted (forcing the reversal to be sent to the bit bucket). The agency then would re-enter the transaction using the correct deposit number. Once the correct deposit number finds a match with OST’s deposit number, the tcode 332 generates. The reversal “forced to the bit bucket will balance out the “duplicate” bit bucket transaction already there.

Duplicate OST Transaction (Treasury Side Bit Bucket):

An OST duplicate entry will show up on Control Report DAFR3311. Sometimes, OST will interface a document number that is not unique. If the original OST deposit is not reconciled, it will be added to the original entry on the 12 screen. If the original OST deposit was previously reconciled (status ‘M’ or ‘Y’), when the Treasury Post Activity File is taken in, the duplicate document does not update the 12 screen via the TB_Receipt_Ex_Sum Table. Consequently, Control Report DAFM3311 will reflect a difference between the Records Read and the sum of the Records Updated and Records Inserted. SFMS Operations receives this report daily. Bit bucket items are identified and the respective agencies notified.

If the R*STARS matching entry has not been entered, the agency should record the transaction using a unique deposit number (often agencies add a letter to the front or the end of the original deposit number). The agency would then request a Deposit Manual Release from OST, providing OST a copy of the supporting documentation. The different deposit numbers (between R*STARS and OST) will cause a mismatch in the cash reconciliation process. OST enters the deposit number in the description of the manually released R*STARS entry(s) and this description shows on the 12 screen. The manual release will generate the tcode 332 during the nightly process.

If the R*STARS matching entry has been entered, the agency will also receive a faxed copy of the DAFR3741 report showing an “SFMS side bit bucket”. The agency would reverse their original entry (which did not create an entry on the 12 screen) and re-enter it, changing the deposit number slightly. Now they will have an entry on the 12 screen and would request a Manual Release from OST.

PERIOD 13 – JUNE 31 AND SFMS BALANCES

When OST interfaces an entry into R*STARS that does not have a matching transaction posted on R*STARS, the financial data is reflected on the “Bank” side on the 12 and 13 screens. This OST data does not post on R*STARS. When R*STARS has an entry that does not match with OST’s entry, the data is posted on the “SFMS” side on the 12 and 13 screens and the dollar amount does effect R*STARS as GL 0065 (unreconciled deposit).

Recording an entry to clear information on the 13 screen that relates to amounts OST has applied up through 6/30/YY is appropriate. An entry in period 13 using an effective date of June 31st applies the amounts to the 0065 account and to the revenue or expense account as of 6/31. When this entry reconciles, tcode 332 (which affects the 0070 account) generates with a current effective date. For example, an agency had a \$90 deposit applied at OST and not in R*STARS at fiscal year end. The

agency records tcode 190 with a 6/31/YY effective date. This would effect the 0065 account as of period 13 and the appropriate revenue account as of 6/31/YY (applied in period 13). On the actual date the tcode 332 generates (July 13th, for instance), the \$90 would move from 0065 to 0070 effective 7/13/YY. This means the reconciled cash would be affected in the first month of the new fiscal year.

To apply an amount using a 6/31/YY date when the money is **not** in OST as of 6/30/YY is **not** appropriate. This would be the equivalent of applying an amount to cash when the money is not in OST.
– This is not allowed.

SUMMARY OF DEPOSIT RECONCILIATION EXAMPLES DISCUSSED BELOW

<u>EXAMPLE #</u>	<u>EXAMPLE DESCRIPTION</u>
1 (page 12)	R*STARS deposit matches OST's deposit
2 (page 13)	R*STARS deposit correct, OST deposit information incorrect
3 (page 14)	R*STARS deposit incorrect, OST deposit information correct
4 (page 16)	R*STARS deposit incorrect, correction unable to process due to insufficient available cash
5 (page 18)	Record Wire Transfer Out
6 (page 18)	Unidentified Receipt reclassified to Revenue - <i>Different Fund</i>
7 (page 19)	Revenue deposit recognized and reconciled, should have been Reduction of Expense - <i>Same Fund</i>
8 (page 20)	Deposit adjustment less than \$5.00

EXAMPLE TRANSACTIONS

Note: As of August 1, 1999 OST no longer makes deposit corrections for \$5.00 or less. The agency will have to record the discrepancy using a tcode that allows comptroller object 1108-Over/Short Account (See Example #8).

Example #1 Deposit per R*STARS accounting records matches the deposit per OST's records.

A. The agency records a cash receipt for \$5,236.03 using tcode 190:

Transaction code 190 - Receipt of Revenue not Accrued

DR Acct 0065 Unreconciled Deposit	\$ 5,236.03	
CR Acct 3100 Revenue Control-Cash		\$ 5,236.03

Tcode 190 increases the following balance types:

+12	Cash Revenues
+34	Unreconciled Deposit

R*STARS will calculate the cash available in the Cash Control Table by adding increases to balance type +12 and subtracting increases from +34. At this point in the example, the entry results in no increase to available cash. Cash revenues (+12) equal unreconciled deposits (+34) and cancel each other out for Cash Control purposes.

DEPOSIT RECONCILIATION

R*STARS: TREA.1

02/19/09

Page 13

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S012 VER 2.0                STATE OF OREGON                07/06/00 02:30 PM
LINK TO:                    MANUAL DEPOSIT RELEASE                PROD

                                AGENCY: 107

ACCOUNT NUMBER: 15000                RECONCILIATION DATE: 10/21/99
DEPOSIT NUMBER: DP05284

TREASURY FUND: 0652
                                SFMS                                BANK
DEPOSIT $:                    5,236.03                5,236.03
DATE:                        10/21/99                10/06/99

RELEASE STATUS: Y (Y,A,N,M)    LAST USER ID:

DESCRIPTION:
Z06 RECORD SUCCESSFULLY RECALLED

F1-HELP F3-DELETE F5-NEXT F9-INT F10-SAVE F11-SAVE/CLEAR ENTER-INQ CLEAR-EXIT

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The Release Status on the above screen is "Y". This means that the deposit per R*STARS and OST have matched.

- B. Once the transactions per OST and R*STARS are matched for the Deposit Reconciliation process, the following transaction is generated during the nightly batch cycle:

Transaction code 332 - Record Cash for Reconciled Deposits

DR Acct 0070 Cash on Deposit with Treasurer	\$ 5,236.03
CR Acct 0065 Unreconciled Deposit	\$ 5,236.03

When tcode 332 generates, it has OST's document number in the invoice field. This document number is used in the R*STARS-to-OST cash reconciliation match process. Tcode 332 affects the Cash Control Balance Type "Unreconciled Deposit" with a -34. The system calculates the cash available in the Cash Control Table by subtracting decreases to -34. Therefore, the increase in cash available because of this entry is \$5,236.03.

Example #2 Agency accounting records are correct and the bank is in error. In this case, the agency must contact OST for a correction to be processed. OST would contact the bank for an adjustment. Once OST receives the adjustment, they would post the adjustment to the agency's account (correcting only OST's balances), OST would then release the deposit manually.

- A. The agency records a cash receipt for \$31,312.49 using tcode 190:

Transaction code 190 - Receipt of Revenue not Accrued

DR Acct 0065 Unreconciled Deposit	\$31,312.49
CR Acct 3100 Revenue Control-Cash	\$31,312.49

DEPOSIT RECONCILIATION

R*STARS: TREA.1

02/19/09

Page 14

S012 VER 2.0	STATE OF OREGON	07/06/00 02:46 PM
LINK TO:	MANUAL DEPOSIT RELEASE	PROD
AGENCY: 107		
ACCOUNT NUMBER: 15000	RECONCILIATION DATE: 03/21/00	
DEPOSIT NUMBER: DP08028		
TREASURY FUND: 0652	BANK	
SFMS		
DEPOSIT \$:	31,312.49	30,692.49
DATE:	12/20/99	12/21/99
RELEASE STATUS: M (Y,A,N,M) LAST USER ID: STDAA59		
DESCRIPTION: SEE DP08318 TO BALANCE		
Z06 RECORD SUCCESSFULLY RECALLED		
F1-HELP F3-DELETE F5-NEXT F9-INT F10-SAVE F11-SAVE/CLEAR ENTER-INQ CLEAR-EXIT		

The Release Status on the above screen is "M". This means that the R*STARS deposit has been matched/released manually by OST. **The manual release that generates the 332 transaction will always be created for the R*STARS deposit amount. As a rule, OST will not process a manual release in this situation.** The transactions do not match from OST's point of view; therefore, a subsequent correction must be processed to correct OST's books. See "B" below.

Transaction code 332 - Record Cash for Reconciled Deposits

DR Acct 0070 Cash on Deposit with Treasurer	\$31,312.49
CR Acct 0065 Unreconciled Deposit	\$31,312.49

Cash is correctly recorded in the agency's accounting records.

- B. Since the agency's accounting records are already correct (the manual release processed the R*STARS amount), OST will adjust their side. *Until this adjustment is recorded by OST in their account, a reconciling item for the correction will exist between R*STARS and OST.*

Example #3 Agency accounting records are incorrect and an additional transaction must be recorded to clear the deposit.

- A. The agency recorded a cash receipt for \$682,711.32 using tcode 190:

Transaction code 190 - Receipt of Revenue not Accrued

DR Acct 0065 Unreconciled Deposit	\$ 682,711.32
CR Acct 3100 Revenue Control-Cash	\$ 682,711.32

DEPOSIT RECONCILIATION

R*STARS: TREA.1

02/19/09

Page 15

S012 VER 2.0	STATE OF OREGON	07/06/00 03:01 PM
LINK TO:	MANUAL DEPOSIT RELEASE	PROD
AGENCY: 629		
ACCOUNT NUMBER: 00579	RECONCILIATION DATE:	/ /
DEPOSIT NUMBER: LB043912062600		
TREASURY FUND: 0579		
SFMS	BANK	
DEPOSIT \$:	682,711.32	772,406.83
DATE:	06/30/00	06/26/00
RELEASE STATUS: N	(Y,A,N,M)	LAST USER ID:
DESCRIPTION:		
Z06 RECORD SUCCESSFULLY RECALLED		
F1-HELP F3-DELETE F5-NEXT F9-INT F10-SAVE F11-SAVE/CLEAR ENTER-INQ CLEAR-EXIT		

*The Release Status on the screen is "N". This means a match between the deposit per R*STARS and OST has not occurred.*

- B. When the bank sends the transaction to OST, the deposit is shown as \$772,406.83. The agency realizes that the accounting entry recorded with tcode 190 was incorrect. An additional deposit entry of \$89,695.51 must be made:

Transaction code 190 - Receipt of Revenue not Accrued

DR Acct 0065 Unreconciled Deposit	\$ 89,695.51
CR Acct 3100 Revenue Control-Cash	\$ 89,695.51

Note: This additional entry requires **the same agency number, deposit number and account number (Agency Code 3) as entered on the original entry**. This allows R*STARS to combine the correcting entry of \$89,695.51 with the original entry of \$682,711.32. It will then match with the corresponding OST entry of \$772,406.83.

DEPOSIT RECONCILIATION

R*STARS: TREA.1

02/19/09

Page 16

S012 VER 2.0	STATE OF OREGON	07/06/00 03:01 PM
LINK TO:	MANUAL DEPOSIT RELEASE	PROD
AGENCY: 629		
ACCOUNT NUMBER: 00579	RECONCILIATION DATE: 06/30/00	
DEPOSIT NUMBER: LB043912062600		
TREASURY FUND: 0579	BANK	
SFMS		
DEPOSIT \$:	772,406.83	772,406.83
DATE:	06/30/00	06/26/00
RELEASE STATUS: Y (Y,A,N,M) LAST USER ID:		
DESCRIPTION:		
Z06 RECORD SUCCESSFULLY RECALLED		
F1-HELP F3-DELETE F5-NEXT F9-INT F10-SAVE F11-SAVE/CLEAR ENTER-INQ CLEAR-EXIT		

- C. Once the deposit per R*STARS matches OST's, (the Release Status is automatically set to "Y" in the R*STARS nightly processing) the deposit is considered "reconciled" in the automated deposit reconciliation process and tcode 332 generates:

Transaction code 332 - Record Cash for Reconciled Deposits

DR Acct 0070 Cash on Deposit with Treasurer	\$772,406.83
CR Acct 0065 Unreconciled Deposit	\$772,406.83

Example #4 An R*STARS agency records tcode 190 for \$1,000. The agency then realizes it has used the wrong PCA which will reference an incorrect classification structure. The agency needs to reverse the original entry and enter the correct one. However, there is insufficient cash in the fund to accomplish the needed entries. That is, the cash being reversed is more than or equal to the cash left in the fund referenced on the original transaction. This results in the agency receiving an F33 Cum Cash Bal Neg error message from R*STARS. OST has not processed the transaction so it is still unmatched on the 12 screen (status N).

- A. The agency records the cash receipt of \$1,000 using tcode 190.

Transaction code 190 - Receipt of Revenue not Accrued

DR Acct 0065 Unreconciled Deposit	\$1,000.00
CR Acct 3100 Revenue Control-Cash	\$1,000.00

Tcode 190 increases the following balance types:

- +12 Cash Revenues
- +34 Unreconciled Deposit

The cash available in the Cash Control Table is calculated by adding increases for +12 and subtracting increases for +34. The example entry does not increase available cash. Cash revenues (+12) equal unreconciled deposits (+34) and cancel each other out for Cash Control Table purposes.

When an attempt to reverse the entry is made using tcode 190R, the balance type 12 decrease results in a negative transaction against the Cash Control Table that cannot process due to insufficient available cash balance.

- B. The preferred correction option: Enter the transaction correctly in another batch and let the correction reconcile. Delete the incorrect transaction the next day.
- C. Other Correction Option: The agency can record a tcode 406 with a reverse code "R" to effectively back out the original entry. The agency will have to request SFMS Operations modify the 28A profile temporarily so the reversal will process. (This transaction is a work-around and should be used with great care. The other alternative is to contact your SFMS Agency Support Analyst and request a fund override. The request must be in writing and include a copy of the rejecting R*STARS transaction entry showing the error message.)

Transaction code 406R - Reverse Unreconciled Deposit

DR Acct 3100 Revenue Control-Cash	\$1,000.00
CR Acct 0065 Unreconciled Deposit	\$1,000.00

Due to the uniqueness of this tcode, and the inability to make changes once saved, agencies are required to record this transaction as an Edit Mode 1 batch. Tcode 406R must only be used in the situation described in Example #4 above.

Record tcode 406R in a separate Edit Mode 1 batch citing the same classification structure as the original entry. Once the correction batch has processed in the nightly batch cycle, the 12 screen will correctly reflect a zero dollar amount. These two events (original Tcode 190, correction Tcode 406R) effectively offset each other.

At this point, record tcode 190 citing the correct classification structure.

- D. Other Correction Option: *If the original tcode 190 was discovered to reference an incorrect structure after it was posted in edit mode 2 but **prior to the batch release**, and there is insufficient cash to change/delete the transaction, an F33 Cum Cash Bal Neg error message will be received.* In this case, the following would need to occur:
 - 1) Record the 406R in a separate Edit Mode 1 batch citing the incorrect classification structure. Once the nightly batch cycle has processed, the 12 screen will reflect an R*STARS negative amount as an unmatched item.
 - 2) Release the tcode 190 above as originally input with incorrect structure. Once the nightly batch cycle has processed, the tcode 190 will combine with the 406R transaction, and the 12 screen will correctly reflect an R*STARS balance of zero.
 - 3) At this point, record tcode 190 citing the correct classification structure.

Example #5 The agency needs to do an “established” recurring wire transfer out for \$1,086,440.51.

- A. The agency submits a properly completed Request for Wire Transfer – Recurring form (C-12 found at the back of the Cash Management Manual) to OST Cash Management Section following the procedure as set by OST. The request must reach OST by 10:30 a.m. for current-day processing.
- B. The transaction will process through OST and be transmitted to R*STARS that night. The entry will appear on the 12 screen the following day.
- C. The agency records tcode 185 with a reverse code (185R), Record Wire Transfer/ACH Transfer Out, using the wire number as assigned by OST.

Transaction code 185R - Record Wire Transfer/ACH Transfer Out

DR Acct 3550 Operating Transfers Out Control	\$1,086,440.51
CR Acct 0065 Unreconciled Deposit	\$1,086,440.51

- D. Once the posted tcode 185R entry (wire transfer out) matches OST’s entry on the 12 screen, the release status is automatically set to "Y" in the R*STARS nightly batch processing. The nightly process then generates tcode 332(R):

Transaction code 332R - Record Cash for Reconciled Deposits

DR Acct 0065 Unreconciled Deposit	\$1,086,440.51
CR Acct 0070 Cash on Deposit with Treasurer	\$1,086,440.51

RECLASSIFICATION THROUGH DEPOSIT RECONCILIATION:

Deposit reconciliation is a large part of the deposit process in R*STARS. Agencies must be able to reclassify deposits (previously processed through deposit reconciliation) from one general ledger account/comptroller/agency object to another. Reclassification between funds, grants, etc. should be done with balanced transaction codes. Many additional tcodes would have been required if this concept had not been developed in R*STARS.

Example #6 An agency receives \$50.00 from an unknown source. The receipt is recorded as unidentified using tcode 151 (Fund A). After review, the agency determines the receipt is revenue. The receipt must be reclassified from unidentified to revenue. In addition, the revenue must be recorded in a different fund (Fund B) from which the unidentified receipt had previously been recorded (Fund A).

- A. The agency records the deposit using tcode 151.

Transaction code 151 (Fund A) - Record Unidentified Receipt

DR Acct 0065 Unreconciled deposit	\$50.00
CR Acct 0060 Undistributed Cash	\$50.00

- B. When the deposit matches OST's interfaced transaction, tcode 332 generates.

Transaction code 332 (Fund A) - Record Cash for Reconciled Deposits

DR Acct 0070 Cash on Deposit with Treasurer	\$50.00	
CR Acct 0065 Unreconciled deposit		\$50.00

- C. To reclassify the funds from unidentified to revenue, tcodes 151R and 190 are used as a balanced entry.

Transaction code 151R (Fund A) - Reverse a Recorded Unidentified Receipt

DR Acct 0060 Undistributed Cash	\$50.00	
CR Acct 0065 Unreconciled Deposit		\$50.00

Transaction code 190 (Fund A) - Receipt of Revenue Not Accrued

DR Acct 0065 Unreconciled Deposit	\$50.00	
CR Acct 3100 Revenue Control		\$50.00

These two tcodes must be entered within the same batch. They must reference the same deposit number and OST account number (Agency Code 3) to prevent the transactions from creating two different records on the 12 screen with status codes of "N". Deposit # is a required field so a unique deposit number or other data such as a date must be entered. The general ledger account 0065 - Unreconciled Deposit will net to zero within the batch, which will prevent the generation of tcode 332.

- D. Revenue must be recorded in the correct fund; transfer dollars from Fund A to Fund B.

Transaction code 407: (Fund A) - Move Revenue Cash Out

DR Acct 3100 Revenue Control	\$50.00	
CR Acct 0070 Cash on Deposit with Treasurer		\$50.00

Transaction code 408: (Fund B) - Move Revenue Cash In

DR Acct 0070 Cash on Deposit with Treasurer	\$50.00	
CR Acct 3100 Revenue Control		\$50.00

Example #7 An agency recorded a revenue deposit of \$750.00. The deposit matched and the tcode 332 generated. It is then determined that the deposit should have been a reduction of expense. However, this example does not apply for reclassification between funds, grants, etc.; reclassification between funds, grants etc. should be done with balanced transaction codes

- A. The deposit was entered with tcode 190.

Transaction code 190 - Receipt of Revenue Not Accrued

DR Acct 0065 Unreconciled Deposit	\$750.00	
CR Acct 3100 Revenue Control		\$750.00

- B. When the deposit matched OST's interface, a tcode 332 generated.

Transaction code 332 - Record Cash for Reconciled Deposits

DR Acct 0070 Cash on Deposit with Treasurer	\$750.00	
CR Acct 0065 Unreconciled Deposit		\$750.00

- C. To reclassify the funds from revenue to a reduction of expense, tcodes 190R and 172 are used as a balanced entry.

Transaction code 190R - Receipt of Revenue Not Accrued

DR Acct 3100 Revenue Control	\$750.00	
CR Acct 0065 Unreconciled Deposit		\$750.00

Transaction code 172 - Refund of Expenditure

DR Acct 0065 Unreconciled Deposit	\$750.00	
CR Acct 3500 Expenditure Control-Cash		\$750.00

These two tcodes must be entered within the same batch. They must reference the same deposit number and OST account number (Agency Code 3) to prevent the transactions from creating two different records on the 12 screen with status codes of "N". Deposit # is a required field so a unique deposit number or other data such as a date must be entered. The general ledger account 0065 - Unreconciled Deposit will net to zero within the batch, which will prevent the generation of tcode 332.

Example # 8 An agency writes an incorrect total on their deposit slip. They record the correct amount in R*STARS. The difference is less than \$5.00. The bank does not catch the error. The R*STARS deposit will not match OST's interfaced amount. The agency must adjust their cash balance for the difference by recording the appropriate one of the following entries. This will cause the deposit in R*STARS to match OST's interfaced deposit. During the nightly process, tcode 332 will generate.

- a) If the deposit in R*STARS is **less** than the deposit on OST, use tcode 190 with:
1. CR document number
 2. Comptroller object 1108 (Over/Short Account)
 3. Index, PCA, and any other coding necessary to record the transaction
 4. Amount of the difference
 5. Deposit number in the deposit number field

Or

- b) If the deposit in R*STARS is **greater** than the deposit on OST, use tcode 190 with:
1. CR document number
 2. **"R" in the reverse field**
 3. Comptroller object 1108 (Over/Short Account)
 4. Index, PCA, and any other coding necessary to record the transaction
 5. Amount of the difference
 6. Deposit number in the deposit number field