HOW A HANGING BALANCE IS CREATED

Deposit is posted to SFMA using TC151, to Fund A
The deposit reconciles and t-code 332 is generated and posted
It is determined that the deposit with TC151 Unidentified Receipt in Fund A should have been a TC172 Refund of Expense in a Fund B
After the deposit reconciles on 13 screen, the agency uses deposit recon TCodes (151R/172) to correct the deposit

Incorrect D23 Fund - Fund A

	TCode	GL0065 Unreconciled Cash DR	CR	GL 0070 Cash at Treasury DR	CR	GL 0060 Undistributed Cash DR	CR	GL 3500 Expenditure Control DR	CR
Original Entry:									
1 Unidentified Receipt	151	500					500		
2 System Generated TC 332, deposit reconciled on 13 screen	332		500	500					
Balance before agency correction		0		500			500	0	
3 Reverse Original Entry with TC 151R, Fund A, then	151R		500			500			
4 Re-enter it with TC172, Fund B									
Balance after agency correction			500	500		0		0	

Will never clear   Did not move

Correct D23 Fund - Fund B

	TCode	GL0065 Unreconciled Cash DR	CR	GL 0070 Cash at Treasury DR	CR	GL 0060 Undistributed Cash DR	CR	GL 3500 Expenditure Control DR	CR
Original Entry:									
1									
2									
Balance before agency correction									
3									
4	172	500							500
Balance after agency correction		500		0		0			500

Agency tried to correct the deposit with deposit recon tcodes:

RESULTS:

TCode 332 is not generated. The Deposit reconciled and the net amount of TC151R/172 is $0.00. This is correct.
Cash in GL 0070 does not move to correct fund at Treasury if the reclass between funds also crosses treasury funds. This is not correct.
The GL 0070 balance remains in the incorrect Fund A.
This causes a **Hanging Balance** in GL 0065 in both D23 Funds, A and B.
The **Hanging Balance** will never go away because the TC332 already posted There will never be cash in Fund B from which to expend.
The transaction resulted to Reduction of Expenditure, GL3500, for Fund B -- but the problem remains with Cash (GL0065 and GL0070).

Therefore, the agency <u>should not</u> use deposit recon Tcodes to reclass between Funds after a deposit has reconciled.
Use BT Tcodes first, then Deposit Recon Tcodes, as seen on the next page.

HOW TO CORRECT A RECONCILED DEPOSIT

The agency determines that the deposit with TC151 Unidentified Receipt in Fund A should be a TC 172 Refund of Expense in Fund B

After the deposit reconciled on 13 screen, the agency used Balanced Transfer T-code 496/497, then deposit recon T-codes 151R/172 to correct the deposit

Incorrect D23 Fund - Fund A

	TCode	GL0065 DR	GL0065 CR	GL 0070 DR	GL 0070 CR	GL 0060 DR	GL 0060 CR	GL 3500 DR	GL 3500 CR
Original Entry:									
1 Unidentified Receipt	151	500					500		
2 System Generated TC 332, deposit reconciled on 13 screen	332		500	500					
Balance before agency correction		0		500			500	0	
3 Move cash out of D23 Fund A	496				500	500			
4 Move into to D23 Fund B									
3 Now cash is in Fund B Reclass from Unidentified Receipt in D23 Fund B									
4 To Reduction of Expense in D23 Fund B									
Balance after agency correction		0		0		0		0	

Correct D23 Fund - Fund B

	TCode	GL 0065 DR	GL 0065 CR	GL 0070 DR	GL 0070 CR	GL 0060 DR	GL 0060 CR	GL 3500 DR	GL 3500 CR
Original Entry:									
1 Unidentified Receipt									
2 System Generated TC 332, deposit reconciled on 13 screen									
Balance before agency correction									
3 Move cash out of D23 Fund A									
4 Move into to D23 Fund B	497			500			500		
3 Now cash is in Fund B Reclass from Unidentified Receipt in D23 Fund B	151R*		500			500			
4 To Reduction of Expense in D23 Fund B	172*	500							500
Balance after agency correction		0		500		0		500	

* TC 151R and 172 should be done in the same batch and same deposit number so amounts on GL 0065 net to zero and TC 332 will not generate. This also prevents a bit bucket.

RESULTS:

Cash on books is in correct D23 Fund.

Reduction of expense is in correct D23 Fund B.

Cash in Treasury is in the correct fund.

Cash is also where it needs to be for the correct spending authority.

Therefore, the agency should use Balanced Transfer Tcodes to reclass between funds first, then Deposit Recon Tcodes to reclass between GL's.