RECLASSIFICATION THROUGH DEPOSIT RECONCILIATION

Deposit reconciliation has become a large part of the deposit process in R*Stars. Deposit reconciliation has also become a part of the reclassification of receipts. After discussion and consideration, it was determined that agencies must be able to reclass and record activity by reversing entries that previously processed through deposit reconciliation. Agencies must be able to reclass receipts from one general ledger account / comptroller object to another without having to use transaction codes that affect "0070-Cash on deposit with Treasurer". Many additional transactions codes would have been required if this concept was not developed in R*Stars.

Situation:

An Agency receives $50.00 and cannot determine how the receipt should be recorded. The receipt is recorded as unidentified using TC 151. After review, the agency determines the receipt is revenue. The receipt must be reclassified from unidentified to revenue. To reclassify use TC 151R and TC 190.

Original Receipt:

TC 151   DEBIT 0065 Unreconciled deposit   50.00
                                       CREDIT 0060 Undistributed Cash   50.00

Generated Entry:

TC 332   DEBIT 0070 Cash in Treasury   50.00
                                         CREDIT 0065 Unreconciled deposit   50.00

Reclassification:

TC 151R   DEBIT 0060 Undistributed Cash   50.00
                                         CREDIT 0065 Unreconciled Deposit   50.00

TC 190   DEBIT   0065 Unreconciled Deposit   50.00
                                         CREDIT 3100 Revenue Control   50.00

Both transaction codes for the reclassification must be in the same batch. "Invoice" is a required field so a deposit number or other data such as date must be entered. The 0065 account will net to zero within the batch so TC 332 is not generated. The end result will debit 0070 cash and credit 3100 revenue. If reclass is between funds, move the unidentified receipt between funds with TC 496/497 and then process TC 151R and TC 190.

Similar transactions can be used when the original deposit is recorded with a transaction code that is later found to be in error. For example, if the original deposit was recorded with a TC 190 and it is later discovered that a TC 172 should have been used, a TC 190R and TC 172 can be recorded with the same specifications for the batch listed above. Reclasses between funds should be done with balanced transaction codes.

For more information refer to the SFMS Desk Manual, "Deposit Reconciliation" procedure, R*Stars: Treas.1.