

SAM—STANDARD ENTRIES

ENTRY NO. 10

10510

(Revised 2/99)

Nature of Transactions:

Cash is disbursed from the agency's General Cash account as refunds to payers, as remittances to the State Treasury, or to banks for dishonored checks.

Journal Entry for General Ledger Accounts:

Debit:

1150	Cash in Transit to State Treasury	a/
1315	Accounts Receivable—Dishonored Checks	b/
3730	Uncleared Collections	c/
8000	Revenue	d/
9892	Prior Year Revenue Adjustments	e/

Credit:

1110	General Cash	f/
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a/ = amount of general cash remitted for deposit in the State Treasury.

b/ = payments to banks for dishonored checks.

c/ = amount of suspense items refunded to payers and/or any unclaimed moneys in the General Cash account remitted to the State Treasury for deposit in the Special Deposit Fund.

d/ = amount of revenue refunded to payers.

e/ = amount of prior year revenue refunded to payers.

f/ = total cash disbursements.

Source:

Document:

General Cash Check

Register:

General Cash Disbursement Register

Explanation:

All general cash disbursements are made by check. General cash disbursements by coin or currency are not permitted. Refunds to payers because of denied applications or for other reasons are made daily or as refunds are determined and approved. Remittances to the State Treasury of revenue, expenditure abatements, and reimbursements are made at least once each month or more frequently if volume warrants or special regulations require. All checks for remittance to the treasury are made payable to the State Treasurer. (See SAM Section 8091 for remittance procedure.)

State agencies are notified by banks whenever checks are dishonored. Upon notice that a check has been dishonored, the agency reimburses the bank with a check drawn upon the agency General Cash account. Accounts Receivable—Dishonored Checks is debited at the time this check is drawn. When another check or legal tender is substituted by the drawer, General Cash is debited and Accounts Receivable—Dishonored Checks is credited. (See Entry No. 11 for alternate procedure.)

(Continued)

**SAM—STANDARD ENTRIES**

(Continued)

**ENTRY NO. 10**

(Revised 2/99)

**10510 (Cont. 1)**

Dishonored checks relating to revolving fund or agency trust transactions are cleared with checks drawn against the respective revolving fund or agency trust accounts. In such cases, the revolving fund receivable or depositor's account will be debited instead of Accounts Receivable—Dishonored Checks.

**Transfer of Unclaimed Checks to the State Treasury:**

If a general cash check dated before January 1, 1998 is (1) returned in the mail and the agency is unable to locate the payee, or (2) is outstanding for two years, the check is canceled in the General Cash Disbursements Register by recording the amount of the check as a debit to General Cash and a credit to Uncleared Collections. A check is drawn payable to the State Treasurer to remit this amount to the Special Deposit Fund Unclaimed Trust Account. (See SAM Section 18424.5). The amount of this check is recorded as a debit to Uncleared Collections and a credit to General Cash.