

**ENTRY NO. 11**  
(Revised 5/87)

Nature of Transaction:

Cash is disbursed from the agency's General Cash account to reimburse banks for dishonored checks. (This alternate procedure is to be used by agencies that desire to charge dishonored checks to revenue accounts previously credited.)

Journal Entry for General Ledger Accounts:

Debit:

1315	Accounts Receivable—Dishonored Checks	a/
3110	Due to Other Funds or Appropriations	b/
8000	Revenue	c/
8100	Reimbursements	d/

Credit:

1110	General Cash	e/
1600	Provision for Deferred Receivable	f/

- a/ total amount of dishonored checks purchased.
- b/ amount of dishonored checks previously accounted as revenue collected for other funds.
- c/ amount of dishonored checks previously accounted as revenue.
- d/ amount of dishonored checks applicable to reimbursements that are not to be accounted as reimbursements until collected or until ordered into the State Treasury.
- e/ total amount of dishonored checks purchased.
- f/ amount of dishonored checks that will not be credited to income accounts until collected and the receivables for which must be fully reserved (b+c+d).

Source:

Document:

Bank debit notice of dishonored checks

Register:

General Cash Disbursements Register

Explanation:

This entry shows the alternate procedure for recording dishonored checks to that shown in Entry No. 10. It would actually be made as a part of Entry No. 10, and the explanation pertaining to General Cash disbursements under that entry applies. This entry directly adjusts the accounts affected by dishonored check transactions. When the dishonored check is redeposited or a replacement check is received:

- increase the cash and revenue accounts, and
- decrease the receivable and provision accounts.

At year-end, accrue the amount of dishonored checks expected to be collected in the next fiscal year. (For a similar accounting entry, see Adjusting Entry No. A-9.)