

## SAM—STANDARD ENTRIES

### ENTRY NO. 9 - [ACCOUNTS RECEIVABLE ARE WRITTEN OFF] (Revised 06/2016)

10509

This entry is made to write-off outstanding accounts receivable (AR) from department's accounts.

#### Authority:

Government Code (GC) section [13941](#) provides that under certain conditions state departments may file applications with the State Controller's Office (SCO) for discharge from accountability for the collection of taxes, licenses, fees, or other money due and payable to the state. In addition, GC section [12438](#) provides that departments may refrain from collecting taxes, license, fees, or money owed to the state if the amount to be collected is five hundred (\$500) or less and the amount owed to the state is uncollectible or does not justify the cost of collection.

#### Information:

In accordance with SAM sections [8776.6](#) and 8790 all state departments will try collection and offset efforts before they file a discharge from accountability application with the SCO. If efforts are not successful departments may:

- Write off ARs upon receipt of an approved Application for Discharge from Accountability Form, [STD. 27](#) from the [SCO](#).
- Write off ARs of \$500 or less, pursuant to GC section 12438.
- Write off cash shortages without approval in certain instances. See SAM section [8072](#).

Deficiencies in an established fund balance (e.g., revolving fund, depositors' trust fund, or uncleared collections) are not written off by this entry.

#### Source Document:

Approved Application for Discharge from Accountability Form, STD. 27  
Blanket authority (SAM section [8776.6](#))  
Cash shortage report (SAM section [8072](#)).

#### Journal Entry of Deferred Receivables for write-off of ARs:

Debit:

1600 Provision for Deferred Receivables a/

Credit:

1312 Accounts Receivable-Reimbursements b/

1313 Accounts Receivable-Revenue c/

1315 Accounts Receivable-Dishonored Checks d/

1316 Accounts Receivable-Cash Shortages e/

1319 Accounts Receivable-Other f/

(Continued)

## SAM—STANDARD ENTRIES

(Continued)

**ENTRY NO. 9 - [ACCOUNTS RECEIVABLE ARE WRITTEN OFF] 10509 (Cont.1)**  
(Revised 06/2016)

- a/ amount of accounts receivable for deferred revenue, deferred reimbursements, or other deferred accounts receivable.
- b/ amount of Accounts Receivable-Reimbursements
- c/ amount of Accounts Receivable-Revenue.
- d/ amount of Accounts Receivable-Dishonored Checks.
- e/ amount of Accounts Receivable-Cash Shortages.
- f/ amount of accounts receivable for abatements, reimbursements, dishonored checks, or identified cash shortages, applicable to reverted appropriations or other accounts receivable not otherwise classified.

### **Journal Entry for write-off of ARs:**

Debit:

8000 Revenue g/  
9892 Prior Year Revenue Adjustments h/

Credit:

1313 Accounts Receivable-Revenue i/

Debit:

8100 Reimbursements j/  
9893 Prior-Year Appropriations Adjustments k/

Credit:

1312 Accounts Receivable-Reimbursements l/

Debit:

9000 Appropriation Expenditures m/  
9893 Prior-Year Appropriations Adjustments k/

Credit:

1311 Accounts Receivable-Abatements n/

- g/ amount of current year accounts receivable for dishonored checks or identified cash shortages applicable to revenue and all accounts receivable for unidentified cash shortages.
- h/ amount of accounts receivable which relate to dishonored checks or identified cash shortages applicable to revenue which was identified as being earned as of the preceding June 30.
- i/ amount of Accounts Receivable-Revenue.
- j/ amount of accounts receivable for reimbursements, dishonored checks, or identified cash shortages, applicable to current fiscal year appropriation reimbursements.
- k/ amount of accounts receivable for abatements, reimbursements, dishonored checks, or identified cash shortages, applicable to prior years appropriations but not yet reverted.
- l/ amount of Accounts Receivable-Reimbursements.
- m/ amount of accounts receivable for abatements, dishonored checks, or identified cash shortages, applicable to current fiscal year appropriation expenditures.
- n/ amount of Accounts Receivable-Abatements.