

SAM—STANDARD ENTRIES (Cont.d)

ENTRY NO. A-13
(Revised 2/2015)

10615

Nature of Transaction:

When a fund is shared by multiple departments, the Cash in State Treasury Account No. 1140 balance is transferred to the Fund Balance—Clearing Account to facilitate the closing of nominal accounts at June 30.

Journal Entry for General Ledger Accounts:

Debit:

1140 Cash in State Treasury

Credit:

5570 Fund Balance—Clearing Account

Source:

Department's Account No. 1140 balance at June 30. (Normally Account No. 1140 for shared funds will have a credit balance. Should a department's Account No. 1140 have a debit balance, the above entry would be reversed.)

Explanation:

For shared funds, Account No. 1140, Cash in State Treasury, only shows the net cash balance in the State Treasury for the fund. By having the department transfer their balance of Account No. 1140, in addition to the closing entries C-1 and C-2 to the Account No. 5570, Fund Balance—Clearing Account, each department will show their equity (net assets or liabilities) of the shared fund, and SCO's records will show the net activity for the fund as a whole.

Prior to the closing of nominal accounts to Fund Balance—Clearing Account and to ensure the accuracy of the department's financial reports, departments will perform a monthly fund reconciliation to their general ledger account balances. To reconcile the activity in Account No. 1140 for all fund users to SCO's records as required in SAM section 7921, Reconciliation of Department's Account Balances with SCO Balances, the fund administrator of a shared fund will obtain the necessary reports from all fund users.