

## SAM—STANDARD ENTRIES

### ENTRY NO. 34 – [INVESTMENTS MATURE OR ARE SOLD] (Revised 10/2015)

10534

This entry is made to record the investments when they mature or are sold.

#### **Information:**

The Controller's Receipt shows the amount of proceeds from investment sales or maturities ordered into the State Treasury. At the same time, the State Controller's Office prepares a journal entry, a copy of which is sent to the department, showing any premium or discount to be written off and/or accrued interest sold. (This entry is recorded as of the date on the Controller's Receipt.)

#### **Source Document:**

Controller's Receipt and journal entry

#### **Journal Entry for General Ledger Accounts:**

Debit:

1140 Cash in State Treasury a/

2014 Discount on Securities b/

Credit:

2011 Investment in Securities at Cost c/

2012 Investment in Securities d/

2013 Premium on Securities e/

2021 Investment in Common Stock f/

2022 Investment in Preferred Stock g/

8000 Revenues h/

a/ proceeds from sale or maturity deposited in the appropriate fund in the State Treasury.

b/ unaccumulated discount on investments sold before maturity.

c/ cost of investment in debt securities matured or sold.

d/ face value of investment in debt securities matured or sold.

e/ unamortized premium on investments sold before maturity.

f/ cost of common stocks sold.

g/ cost of preferred stocks sold.

h/ (1) amount of accrued interest sold plus or minus the difference between the amount received and the book value plus accrued interest sold, or (2) gain or loss on the sale of stocks. This net entry would result in a debit to the general ledger Revenue account if the result of the sale was a loss greater than the amount of accrued interest sold or a loss on the sale of stocks.