

SAM – STANDARD ENTRIES

ENTRY NO. 36 – [ACCOUNTS RECEIVABLE ARE SOLD]

10536

(Revised 10/2015)

This entry is made when departments receive cash payments for the sale of accounts receivables (AR).

Information:

Departments are authorized to sell their AR to private persons or entities. Sales of this nature will result in the receipt of payment in amounts less than the invoiced AR amount. This entry will remove the AR at its full invoiced amount and adjust the income/expenditure accounts to reflect the appropriate net amounts received.

Source Document:

General Cash Receipt

Register:

General Cash Receipts Register

Journal Entry for AR-Abatement Sold:

Debit:

1110 General Cash a/
9000 Appropriation Expenditures b/
9893 Prior Year Appropriation Adjustments c/

Credit:

1311 Accounts Receivable —Abatements d/

a/ total cash received for deposit in the General Cash account.

b/ the amount that represents the difference between the amount of current year invoiced Accounts Receivable—Abatements and the amount received from the sale of the Accounts Receivable—Abatements.

c/ the amount that represents the difference between the amount of prior year invoiced Accounts Receivable—Abatements and the amount received from the sale of those accounts receivable.

d/ invoice amount of Accounts Receivable—Abatements that have been sold.

Journal Entry for AR-Reimbursement Sold:

Debit:

1110 General Cash e/
8100 Reimbursements f/
9893 Prior Year Appropriation Adjustments g/

Credit:

1312 Accounts Receivable —Reimbursements h/

(Continued)

SAM – STANDARD ENTRIES

(Continued)

ENTRY NO. 36 – [ACCOUNTS RECEIVABLE ARE SOLD]

10536 (Cont.1)

(Revised 10/2015)

- e/ total cash received for deposit in the General Cash account.
- f/ the amount that represents the difference between the amount of current year invoiced Accounts Receivable–Reimbursements sold and the amount received from the sale of the Accounts Receivable–Reimbursements.
- g/ the amount that represents the difference between the amount of prior year invoiced Accounts Receivable–Reimbursements and the amount received from the sale of those accounts receivable.
- h/ invoice amount of Accounts Receivable–Reimbursements that have been sold.

Journal Entry for AR-Revenue or AR-Operating Revenue Sold:

Debit:

1110 General Cash i/

8000 Revenue j/

9892 Prior-Year Revenue Adjustments k/

Credit:

1313 Accounts Receivable —Revenue l/

1314 Accounts Receivable —Operating Revenues l/

- i/ total cash received for deposit in the General Cash account.
- j/ the amount that represents the difference between the amount of current year invoiced Accounts Receivable–Revenue sold and the amount received from the sale of the Accounts Receivable–Revenue.
- k/ the amount that represents the difference between the amount of prior year invoiced Accounts Receivable–Revenue sold and the amount received from the sale of the Accounts Receivable–Revenue.
- l/ invoice amount of Accounts Receivable–Revenue and Accounts Receivable-Operating Revenue that have been sold.

Journal Entry for AR-Dishonored Checks or AR-Other Sold:

Debit:

1110 General Cash m/

1600 Provision for Deferred Receivables n/

Credit:

1315 Accounts Receivable —Dishonored Checks o/

1319 Accounts Receivable —Other o/

- m/ total cash received for deposit in the General Cash account.
- n/ the amount that represents the difference between the sold accounts receivables accounted for during the year on a fully reserved basis and the amount received from the sale of the Accounts Receivable–Other.
- o/ invoice amount of Accounts Receivable-Dishonored Checks or Accounts Receivable–Other that have been sold.