

SAM - INCOME

OVERPAYMENTS AND UNDERPAYMENTS

8241

(Revised 04/2016)

In departments where the receipt of cash requires that a liability account (e.g., uncleared collections or revenue collected in advance) be credited pending the earning of a remittance, the credit will be for the amount of cash received.

Overpayments

In accordance with applicable provisions of law, overpayments may be: (1) applied against other amounts due the State from the payers, (2) refunded automatically, or (3) held pending receipt of refund requests.

GC section [16302.1](#) permits state departments to remit overpayments of \$10.00 or less to the Treasury as miscellaneous revenue or operating revenue, subject to the right of the payer to make a claim for refund if otherwise authorized by law.

Unless the overpayment is being applied to other amounts due the State from the payers, departments using GC section 16302.1 will credit revenue or operating revenue for the amount received. The appropriate revenue or operating revenue account code will be credited for the applicable amount. If no appropriate revenue account code is available, the overpayment will be credited to miscellaneous revenue in the revenue or operating revenue account.

Underpayments

Departments will credit revenue or operating revenue for the amount received. The appropriate revenue or operating revenue account code will also be credited for the amount received except if the payment is for a press-numbered document of fixed value. For this situation, the appropriate revenue or operating revenue account code will be credited for the fixed value. The underpayment will be debited to miscellaneous revenue in the revenue or operating revenue account. Any remittance advice showing a debit to miscellaneous revenue or operating revenue for this reason will state that it is due to net underpayments.

See SAM section [8776.6](#), Non-Employee Accounts Receivable, for information on collection of amounts owed to the state.