



## 85.20

# Revenue and Cash Receipts

### 85.20.10

July 1, 2009

## Collection and deposit of receipts

### 85.20.10.a

### Receipt Forms

- **Format** - A standard cash receipt format is not prescribed as a state form. However, agencies are required to develop and adopt an official receipt form that satisfies their unique requirements. The form adopted is to be pre-numbered. At a minimum, the form is to provide for the following information: date, amount, mode of payment, and identification of the agency and the preparer.

Machine generated receipts (e.g., cash register) and automated cashiering systems that provide the required control data are acceptable. Cash registers and automated cashiering systems should be configured to provide a receipt for the payee and a copy for the agency.

- **Use** - Collections made over the counter or in the field are to be documented by issuance of an official receipt or through cash registers or automated cashiering systems. Receipts are to be issued in numeric sequence and the numeric sequence is to be strictly controlled. It is not necessary to issue cash receipts for remittances received through the mail. In instances where a cash receipt is not required to be issued, other internal control procedures are to be established to ensure proper accounting. Refer to Chapter 20 of this manual for guidance related to internal control procedures.

### 85.20.10.b

**Record of Cash Receipts** - Agencies are to maintain daily cash receipt records reflecting all daily receipts by account and source. Where cash registers or automated cashiering systems are used, this could be the machine generated control tape or electronic daily transaction register.

### 85.20.10.c

**Reconciliation of Cash Receipts** - On a daily basis, collections are to be counted and reconciled with cash receipt records and local account deposit slips. Any differences between the deposits and records of receipts are to be investigated and resolved.

85.20.10.d

**Cash Over and Short:**

- Cash over and short is to be separately recorded in the accounting records. The agency is to make the necessary entries to properly reflect cash over and short in the General Ledger.
- Revenue Source Code 0490 “Cash Over and Short” is to be used to record the amount of overage or shortage so that the total recorded in the General Ledger agrees with the amount deposited. Revenue Source Code 0490 provides a record on the books of the agency of the amount and the frequency of overages and shortages. (Refer to Subsection 85.24.40 for an illustrative entry.)
- Recovery of cash shortages or redistribution of overages is to be processed through Revenue Source Code 0490.
- The balances of Revenue Source Code 0490 and the transactions affecting these balances are to be analyzed regularly and controlled to reduce the possibility of misappropriated cash.

85.20.10.e

**Deposit of Cash Receipts:**

- Generally, cash receipts must be deposited intact each day for the collections of the previous business day. Refer to Section 85.50.
- For treasury/treasury trust accounts, agencies are to use a Cash Receipts Journal Summary document (A8) or the equivalent in TMS (Treasury Management System) for deposits of checks and cash, incoming wire transfers, and/or incoming Automated Clearing House (ACH) transactions with the OST.
- Local account deposits are to be controlled and documented by the use of bank deposit slips.

Refer to Subsection 85.24.30 for an illustrative entry.

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**85.20.20**

July 1, 2001

**Prudent collection processes**

Agencies are encouraged to exercise prudent cash management in the handling of cash receipts. Agency receipting policies should ensure the most efficient and timely collection possible and minimize the cost of collection. Agencies can use various receipt mechanisms to collect amounts due the state, including lock box, electronic fund transfers and, with approval from OFM, credit and debit cards. Refer to Chapter 40.

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**85.20.30**

July 1, 2003

**Non-revenue receipts**

Agencies may receive monies that do not meet the definition of revenue contained in the glossary of this manual. Such receipts generally represent items such as recovery of expenditures, canceled warrants, refunds of forgeries, State Employees Insurance Board Insurance premium refunds, undistributed receipts, and interagency reimbursements. These amounts are to be classified and recorded as non-revenue receipts in the General Ledger.

Receipts for recoveries of authorized current appropriation expenditures represent an offset to current appropriation allotment charges and are recorded either using Revenue Source Code 0902 "Recoveries of Current Appropriation Expenditures" or as a credit against the current appropriation expenditure that was originally charged. Entries needed to clear Revenue Source Code 0902 and adjust the current appropriation allotment charges are to be recorded at least monthly.

Receipts for recovery of an expenditure charged against a prior appropriation are recorded with a credit to GL Code 3210 "Cash Revenues" using Revenue Source Code 0486 "Recoveries of Prior Expenditure Authority Expenditures" and do not offset current appropriation allotment charges.

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**85.20.40**

July 1, 2001

**Proceeds from sale of property**

The proceeds realized from the sale of property by the Department of General Administration under the provisions of RCW 43.19.1919 are remitted to the agency holding title to the property. The amount is to be deposited by the agency to the account from which such property was purchased or if such account no longer exists, into the General Fund. The following procedures apply to the recording of these proceeds:

If the net proceeds were included in the budget for new asset acquisition, the amount is to be recorded as reduction of the expenditures/expenses charged for the purchase of the new asset. Refer to Subsection 85.65.58 for illustrative entries.

In governmental fund type accounts, unless specifically budgeted, the proceeds realized, if material, from the sale of surplus property are **not** to be used to reduce the expenditures related to current acquisitions. Absent specific inclusion in the budget, the net proceeds realized from the sale of surplus property are to be recorded as Revenue Source Code 0416 "Sale of Property - Other." Refer to Subsection 85.60.50.a.

In proprietary and trust fund type accounts, the net of the sale proceeds and the removal of the capital asset and related accumulated depreciation is recorded as GL Code 3213 "Gain and Loss on Sale of Capital Assets" using Revenue Source Code 0418 "Gain or Loss on Sale of Capital Assets." Refer to Subsection 85.60.50.b.

**85.20.50**

May 1, 1999

**Undistributed receipts**

Deposit of moneys is not to be delayed because of difficulty in determining account and source. Upon permission from the Office of the State Treasurer (OST), those receipts not immediately identifiable are to be deposited to Account 01R "Undistributed Receipts Account." Refer to Subsection 85.24.70.a for an illustrative entry.

At a subsequent date when receipts deposited in the Undistributed Receipts Account are identified as to the source and account, a Journal Voucher document is to be submitted to OST, transferring these funds from Account 01R, to the proper account and revenue source code. The Journal Voucher document is to be restricted to information pertaining to transfer of amounts from Account 01R to the proper account and not commingled with other transfer transactions. Refer to Subsections 85.24.70.b and c for illustrative entries.

**85.20.60**

July 1, 2009

**Receipts placed in suspense**

If the daily receipts are identifiable by account, but cannot be immediately allocated to a specific revenue source code, the transaction is to be credited to the applicable account and classified as Revenue Source Code 0920 "Items Placed in Suspense." As soon as a determination can be made of the proper revenue source code(s), the agency is to clear the Revenue Source Code 0920. Revenue Source Code 0920 is to have a zero balance at the end of the fiscal year.

Receipts which are to be applied or refunded at a later date or moneys contingent on an unknown final disposition, and not subject to the Undistributed Receipts procedure above, are to be transmitted to the Office of the State Treasurer and deposited in the State Treasury by a credit to Account 01P "Suspense Account."

As soon as a determination can be made of the proper account or accounts to charge or credit for items placed in suspense, the agency is to clear the item(s) in the Suspense Account 01P. Refer to subsection 85.24.80 for illustrative entries.

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**85.20.70**

May 1, 1999

**Refunds of revenue**

In the event fees or other payments are collected and deposited by an agency that are subsequently determined to be erroneous or excessive, the agency may refund the overpayment. Refunds of revenues are to be in accordance with the provisions of RCW 43.88.170 and 43.01.072 through 43.01.075.

Refunds may be made when there has been an error with respect to:

- The amount of fee or payment collected;
- The necessity of making or securing a permit, filing, examination or inspection;
- The sufficiency of the credentials of the applicant;
- The eligibility of the applicant for any other reason; and/or
- The necessity for payment.

Unless an appropriation exists for such a refund, it is to be accounted for as a reduction of the revenue initially credited upon receipt of the overpayment.

No refund shall be authorized by a state agency where the amount is two dollars or less unless demand for the refund is made within six months of the overpayment.

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**85.20.80**

May 1, 1999

**Subsidiary records**

Subsidiary records are to be used to record actual and estimated revenues by account and revenue source. In some cases, however, to allow for proper financial control and analysis, reporting revenues at a lower level may be required. Subsidiary records are to balance with general ledger control accounts.

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**85.20.90**

June 1, 2005

**Deposit interest distribution by OST**

The Office of the State Treasurer (OST) reports all interest earned on surplus cash balances for Treasury and Treasury Trust Accounts. The distribution of deposit interest is recorded in Agency 705, Treasurer's Deposit Income. The administering agency will receive, upon request, a copy of OST's journal voucher indicating the interest earnings distributed to the administering agency's account(s) in Agency 705. OST's journal voucher is for informational purposes and is not to be posted to the administering agency's records.