ADOA – General Accounting Office

QUICK REFERENCE GUIDE:
FAVORABLE & UNFAVORABLE DEPOSIT ADJUSTMENTS

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Overview

When an agency records a CR transaction and the total amount recorded on the CR is not equal to the amount later verified at the bank, the Arizona State Treasurer's Office will then process a State Treasurer – Treasury Adjustment (STADJ) transaction that will either increase (favorable) or reduce (unfavorable) the agency's cash to match the bank total. Here is the entry on the posting line of the transaction:

- Favorable Deposit Adjustment: (ARS2 – Event Type)
- Debit: Cash (Balance Sheet Account 0070)
- Credit: Favorable Deposit Discrepancy Payable (Balance Sheet Account 1530)
- Unfavorable Deposit Adjustment: (ARS1 – Event Type)
- Debit: Unfavorable Deposit Discrepancy Rec (Balance Sheet Account 0553)
- Credit: Cash (Balance Sheet Account 0070)

Note: Most STADJ's are posted to the General Fund 1000 unless otherwise pre-arranged by the agency with the Arizona State Treasurer's Office to post to another fund. The Arizona State Treasurer's Office will only post STADJs to one fund per agency.

Once the agency has researched the reason for the difference and identified what chart of account elements this difference relates to, the agency can process a Department Adjustment – Treasury Adjustment (DADJ) transaction to adjust revenues or expenditures as appropriate and clear the Favorable or Unfavorable balance sheet account. The DADJ transaction must be processed to reference the original fund adjusted by the Arizona State Treasurer's Office in order to properly close out the balance sheet effect of their transaction. However, if the revenue or expenditure adjustment relates to another fund, then an Internal Exchange Transaction (IET) transaction must be processed to transfer the effect of the adjustment to the other fund(s).

Get Started

Copy Forward STADJ to DADJ

The following event types are available to use on the CR Transaction Type for a Favorable or Unfavorable deposit adjustment:

- Favorable Deposit Adjustment:
- ARD2 (Favorable Deposit Adjustment)
- ARDB (Favorable Deposit Adjustment– Expenditure)
- Unfavorable Deposit Adjustment:
- ARD1 (Unfavorable Deposit Adjustment)
- ARDA (Unfavorable Deposit Adjustment– Expenditure)

Log in to the AZ360 **Home Page**. Search for the STADJ transaction created by Arizona State Treasurer's Office.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *STADJ*.

4. In the drop-down menu that generates, select **STADJ State Treasurer - Treasury Adjustment**. The STADJ Financial Transaction page will generate.

5. In the **Dept.** field, select the user's department 3-digit code from the pick list.

6. In the **ID** field, enter the STADJ transaction ID as provided on documentation from the Arizona State Treasurer's Office.

7. Click **Search**.

8. Click on the **ID** link, from the grid, to open up the STADJ that will be copied forward to a DADJ.

Copy forward the STADJ transaction to a DADJ transaction.

1. Click the **Page 3-dot** menu, select **Copy Forward** from Primary Actions.

2. Click the **Copy Forward** button.

3. In the **Transaction Dept** field, enter the user's department 3-digit code.

4. Enter a value in the **Transaction ID** field or select the **Auto Numbering** checkbox.

Note: The user may select the Auto Number checkbox to generate a unique ID if desired, but GAO highly recommends using the same transaction number as the STADJ Transaction ID for research purposes.

5. Click **OK** to generate a DADJ transaction.

Complete the **Header** tab.

1. At a minimum, review the **Transaction Description** field.

Complete the **Accounting** tab.

1. Enter a value in the **Line Amount** field.

2. Enter a value in the **Department** field.

3. In the **Budget FY** field, enter the applicable appropriation year (e.g. 2022).

4. Complete any department-required elements, such as **Function**.

a. If not inferred by the function, enter the appropriate information in the **Fund**, **Unit**, and **Appr Unit** fields.

5. Enter a value in the **Object** field *only* if using event type ARDA or ARDB.

6. Enter a value in the **Revenue** field *only* if using event type ARD1 or ARD2.

7. Complete the **General Information** section. At a minimum, enter a value in the **Event Type** field.

a. Select *ARD2* or *ARDB* for favorable deposit adjustments. For unfavorable deposit adjustments, select *ARD1* or *ARDA*. See a description of the event types in the opening summary to this section.

If necessary, enter additional accounting lines to recognize revenue or expenditures to additional chart of account elements.

1. In the **Tab Level Actions** section, click the "**+**" icon to add an Accounting line.

2. On the new Accounting line, change the line amount and any chart of account elements that should be different (e.g., Program Period Code, etc.).

Ensure that the amounts on all accounting lines of the DADJ transaction do not add up to more than the total amount on the referenced STADJ transaction. Also, ensure that the fund is the same fund as was recorded on the STADJ, for each of the accounting lines. *Lastly, make sure the STADJ is referenced on the copied line.*

Note: If revenues or expenditure related to this transaction must be transferred to other funds, then it may simplify things to record these activities to one chart of account "bucket" (e.g. 4699, etc.) on the DADJ transaction and then use the IET clear out this "bucket" and transfer these activities to the corrected funds and other chart of account elements.

Prior to submitting the transaction, attach any department specific backup documents.

1. Select **Attachments** on the **Header** tab.

2. Either drag and drop in an attachment or click **Browse** to add an attachment.

3. Click **Upload**.

4. When all attachments are uploaded, click **Close**.

Validate the DADJ transaction.

1. Confirm that the transaction validated successfully in the upper left-hand corner. If it did not, please see the accounting supervisor.

Submit the DADJ transaction.

Note: The transaction will be handled through workflow and will be pending approval by the Department Approver.

IET to Transfer Revenue/Expenditures to Other Funds

This step is only necessary if the agency needs to recognize the revenue or expenditures related to these favorable or unfavorable transactions in different chart of account elements than recorded originally on the STADJ transaction by the Arizona State Treasurer's Office.

The Internal Exchange Transaction (IET) transaction can be used to record both intra-agency fund transfers in a single transaction.

Log in to the AZ360 **Home Page**.

1. Click the **Expand** caret next to the **Global Search** field.

2. Select the **Page Code** option.

3. In the **Global Search** field, enter *IET*.

4. In the drop-down menu that generates, select **IET Internal Exchange Transaction**. The IET Financial Transaction page will generate.

5. Click **Create**.

6. In the **Transaction Dept** field, select the user's department 3-digit code from the pick list.

7. In the **Transaction ID** field, enter the same transaction ID as the STADJ.

Note: The user may select the Auto Number checkbox to generate a unique ID if the user so desire, but GAO highly recommends using the same transaction number as the STADJ transaction ID for research purposes.

8. Click **Continue**. A new transaction is generated.

Complete the **Header** tab. At a minimum, enter the following information:

1. **Initiator**

   a. Select either **Provider/Seller** or **Receiver/Buyer**.

Complete **Exchange Details** tab.

1. Insert a new line. In the **Tab Level Actions** section, click the "**+**" icon.

2. Complete the **Line Amount** field.

3. At a minimum, enter the appropriate information in **Function**, **Fund**, **Department**, **Unit**, and **Appr Unit** on the **Exchange Details** line.

a. If applicable, enter values in **Dept Object** and **Dept Revenue**.

4. At a minimum, enter the following information on the **General Information** section:

a. **Event Type** (see grid below)

INZ1	Expenditure to Expenditure Transfer
INZ2	Revenue to Revenue Transfer
INZ3	Expenditure to Revenue Transfer

Complete the **2nd Party Accounting** tab for each line of the **Exchange Detail** tab. At a minimum, enter the appropriate information in the following fields:

- **Line Amount**
- **Department**
- **Function** (if used)
- **Fund** (if not inferred from function)
- **Appr Unit** (if not inferred from function)
- **Unit** (if not inferred from function)
- **Object** (if applicable)
- **Revenue** (if applicable)
- **Task** (if not inferred from function)
    - This field is located on the **COA** section.

Validate IET transaction.

1. Confirm that the transaction validated successfully in the upper left-hand corner. If it did not, please see the Accounting Supervisor.

Submit IET transaction.

Note: The transaction will be handled through workflow and will be pending approval by the Department Approver.