ADOA – General Accounting Office

QUICK REFERENCE GUIDE:
PROCESS RECEIVABLE ADJUSTMENT – CLADJ TRANSACTION

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Process Receivable Adjustment – (CLADJ) Transaction

CL Adjustment (CLADJ) transaction can be used to close or write off an RE or CL transaction. Three common instances are:

1. To close a RE or CL transaction in which revenues were received by the customer, but the receivable balance was not referenced (e.g., credit card payment, interagency transfer, etc.).

2. To write off uncollectible debt in which a receivable was created. If the receivable represents an enforceable debt, the debt must ultimately be collected or forwarded to the Office of the Attorney General (OAG) for collection. If goods or services were rendered and cannot be recovered or revoked, the receivable is still valid. If the agency has performed, to no avail, those steps required to effect collection, a write-off for the receivable can be requested.

3. To close a RE or CL transaction in which the debt collection was completed by the OAG and to reclassify the OAG internal transfer to the agency as an expenditure.

Since the CLADJ transaction is used to close/write off a receivable where revenues/expenditures were otherwise recognized/reduced, the Transaction Total amount will need to net to $0. Two vendor lines will need to be created if referencing an RE or CL – one with the vendor customer information and one without the vendor customer information. *Note: If referencing an RE or CL transaction, both the AR and CR roles are required when processing a CLADJ transaction.*

Close or Write-Off RE or CL Transaction (Instance 1 & 2)

The following is how the event type, amount, and postings should be created for each vendor line when processing the CLADJ:

- Vendor Line 1 – AR02 (Positive Amount)

    o Debit – Cash (Balance Sheet Account 0070)

    o Credit – External CER (Collected Earned Revenues)

- Vendor Line 2 – AR02 (Negative Amount)

    o Debit – External CER (Collected Earned Revenues)

    o Credit – Cash (Balance Sheet Account 0070)

Process a New CLADJ Transaction:

Log in to the AZ360 **Home Page**. Locate the CL or RE transaction that is being written off.

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

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

3. In the **Global Search** field, enter *CL* or *RE*.

4. In the drop-down menu that generates, select **CL Referral to Collection** or **RE Receivable**. The CL or RE Financial Transaction page will generate.

5. In the **ID** field, enter the transaction ID for the transation.

6. Click **Search**.

7. Click the **ID** link in the grid to open the transaction.

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

9. On the **Copy Forward** screen, in the **Transaction Dept** field, enter the user's department 3-digit code.

10. Check the **Auto Numbering** check box.

11. Verify that the **Target Transaction Code** selected is **CLADJ**.

12. Click **Ok**.

13. A new CLADJ transaction will generate and opens to the Header tab. Note that the transaction is in **Draft**, the **Version** number is **1**, the **Function** is **New** and the **Status** is **Held**.

Complete the **Header** tab of the transaction.

1. In the **Transaction Total** field, verify the amount is $0.00.

2. In the **Bank Account** field, select **BK01** from the pick list.

3. Click the **Vendor** tab.

Complete the **Vendor** tab of the transaction.

1. Click the **Expand** caret on the blue Vendor line.

2. Observe the field values that have inferred from the RE and CL transactions using the copy forward function.

3. In the **Tab Level Actions** section, click the "**+**" icon to add a Vendor line.

   a. There should be two Vendor lines: one with the customer and one blank. Positive line with the Vendor/Customer field filled in and the negative line with the blank Vendor/Customer field.

4. In the **Line Amount** field, enter the same amount as Vendor Line 1 as a negative so it nets to zero.

5. Click on the **Accounting** tab.

Complete the **Accounting** tab of the transaction.

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

2. In the **Line Amount** field, enter the negative line amount entered previously on the Vendor tab, so it nets to zero with the positive Accounting Line.

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

4. In the **Fund** field, enter the user's department fund number.

5. In the **Unit** field, enter the user's department unit number.

6. In the **Appr Unit** field, enter the user's department appropriation unit number.

7. In the **Revenue** field, enter *4650* (Uncollectible Revenue Adjustment).

Note 1: 4650 is a Contra Revenue Source and is used if the transaction is approved on the JLBC NSF Write-off list. When 4650 is used, it will route to GAO for final approval. The GAO-21 Form will be required to be attached to the CLADJ for GAO review.

Note 2: If this is an accounting correction, revenue source 4650 does not need to be used on the negative accounting line. Enter the revenue source deemed appropriate.

8. In the **Function** field, enter the user's department function number.

Validate and submit the transaction for approval.

1. Click **Validate** to check for errors. If any errors exist, fix the errors and click **Validate** again. If the validation is successful, the following message is displayed: **Transaction validated successfully**.

2. Click **Submit** to submit the transaction for approval. If submission is successful, the following message is displayed: **Transaction submitted successfully - Pending Approval**.

3. Click **Close.**

4. Click **Home** icon to return to the home page.

Close RE or CL & Reclassify OAG Internal Transfer (Instance 3)

The internal transfer (ITI\ITA) created by the OAG is created as a revenue-to-revenue reduction transfer. A CLADJ transaction can be used to reclassify the 35% OAG debt collection fee from a revenue reduction to expenditure. It can also be used to close an RE or CL transaction from the collection by the OAG.

Event Type Postings:

- AR02 (Positive amount)

  - Debit: Cash (Balance Sheet Account 0070)

  - Credit: External CER

- AR02 (Negative amount)

  - Debit: External CER

  - Credit: Cash (Balance Sheet Account 0070)

- AR32 (Negative) – Additional if following Instance 3

  - Debit: External CE

  - Credit: Cash (Balance Sheet Account 0070)

Procedure

Process a CLADJ transaction to reclassify 35% of internal transfer of debt collection fee by OAG as expenditure instead of a revenue reduction and to close an RE or CL transaction.

Log in to AZ360 **Home Page**. Create the CLADJ transaction.

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

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

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

4. In the drop-down menu that generates, select **CLADJ CL Adjustment**. The CLADJ Financial Transaction page will generate.

5. Click **Create**.

6. In the **Transaction Code** field, type *CLADJ*.

7. In the **Transaction Dept** field, type the agency department code.

8. Click the **Auto Numbering** checkbox to generate a unique ID or enter a unique ID.

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

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

1. Enter $*0.00* in the **Transaction Total** field.

2. Enter *BK01* in the **Bank Account** field.

3. Click the **Vendor** tab.

Complete the **Vendor** tab.

1. To insert a new Vendor line, select the "**+**" icon in the tab level actions section. A blue Vendor line then generates.

2. At a minimum, enter the following on the **Reference Information** section:

   a. RE or CL transaction information

   b. **Line Amount** – amount of receivable to be accounted for

3. Click **Save**. **General Information** section should populate with RE or CL information.

Complete the **Accounting** tab.

4. To insert a new Accounting line, select the "**+**" icon in the tab level actions section. A blue Accounting line then generates.

5. At a minimum, enter the following:

   a. **Line Amount** – amount of receivable to be accounted for

   b. **Budget FY** – Enter the applicable appropriation year (e.g., 2016).

6. At a minimum, enter the following on the **Reference** section:

      a. RE or CL transaction information

7. Click **Save**. All other tabs should populate with RE or CL information.

Navigate back to the **Vendor** tab.

1. Select the "**+**" icon in the tab level actions section. A blue Vendor line then generates.

2. Leave the **Vendor Customer** field's information blank.

3. Enter the **Line Amount** field's value as a negative amount.

Navigate to the **Accounting** tab.

1. Select the "**+**" icon in the tab level actions section. A blue Accounting line then generates.

2. Verify the following information on the **General Information** section to ensure it will cancel out the corresponding positive line:

      a. **Event Type** – is the same event type used on the accounting line with the positive amount

      b. **Line Amount** – negative line amount so that it nets with the positive line amount

3. At a minimum, enter the following on the **Fund Accounting** section:

      a. **Fund**

      b. **Department**

      c. **Revenue** (same revenue source used on positive line amount)

      d. **Unit**

      e. **Appropriation Unit**

On the **Accounting** tab:

1. Click **Insert New Line** to create a third accounting line of the transaction.

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

      a. **Event Type** – AR32 (to recognize the expenditure)

      b. **Line Amount** – negative line amount, the amount the OAG received on behalf of the collection (35%)

3. At a minimum, enter the following on the **Fund Accounting** section:

    a. **Fund**   d. **Unit**

    b. **Department**   e. **Appropriation Unit**

    c. **Object**

4. Validate CLADJ transaction.

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

5. Submit CLADJ transaction. The transaction will route to the Department Cash Receipt Approver.