

Guidelines for Selecting AFRS Trans Codes

General guidelines to help agencies select the correct transaction code (TC).

If the accounting event does not affect cash between agencies or funds.

Use GL Account 9920. GL Account 9920 is a clearing account. For this GL Account, the debit entry amounts must equal the credit entry amounts. When the GL Account 9920 entries are posted, then GL Account 9920 must equal zero.

- These corrections do not affect treasury cash between agencies or funds, so **do not** send the paper JV to the Treasurer.

Common Trans Codes pairs to adjust account balances:

021	Inter-fund Revenue Transfer - Inc	7140	3210
022	Inter-fund Revenue Transfer - Dec	3210	7140
343	Internal Transfer Revenue - Inc	9920	3210
344	Internal Transfer Revenue - Dec	3210	9920
025	Inter-fund GL Transfer	Var	7140
026	Inter-fund GL Transfer	7140	Var
347	Internal Transf Credit Gen Ledger	9920	Var
348	Internal Transfer Debit Gen Ledger	Var	9920
345	Internal Transf Agy Expen - Inc	6510	9920
346	Internal Transf Agy Expen - Dec	9920	6510
669	Inter-fund Expend Transfer - Inc	6510	7140
670	Inter-fund Expend Transfer - Dec	7140	6510

If cash is part of the transaction.

Consider using an Inter-Agency Payment (IAP) TC or an Inter-Fund Transfer (IFT) TC. The correction affects treasury cash between agencies or funds. Use an in-process account (7100) to make the correction.

- If using IAP or IFT TCs, **do not** send the paper JV to the State Treasurer.
- If using cash TCs on Manual JV's, send the paper JV to the State Treasurer.

Using the R (Reverse Code) is the preferred way of correcting an error in AFRS.

NOTE: System edits do not allow the use of the R (Reverse Code) for correcting the following TCs:

- Those with a payment indicator for warrants/EFT's and IAP's (Inter-Agency Payments).
- Those for IFT's: TCs 021, 022, 025, 026, 669, and 670.

- Those requiring the reference document # to match an existing # on the document file where no existing document # is on the file.
- Those requiring a modifier of **P** (Partial) or **F** (Full) for encumbrance posting.

Some or all of the following steps apply to every accounting transaction in AFRS:

A. Identify the accounting event.

Evaluate what occurred that requires an AFRS transaction. Take note of what source documents were used.

For example: Was it a payment to a vendor, cash collected on a receivable, etc.?

B. Determine which type of entry is involved.

- **Original entry** – new entry - not related to a previous entry.
- **Related entry** – partly or fully liquidates previous receivable/payable/encumbrances (requires referring to the codes on the original document).
 - This is a continuation of the prior entry to complete the accounting event.
- **Correction entry** – fixing a transaction that processed incorrectly due to a code error or a data entry error.
 - Evaluate what actually happened against what was supposed to happen. From this, determine what correction is needed.
 - Sometimes it is easiest to back out the incorrect transaction and start over.
 - Sometimes the correction can be done without backing the original transaction out.

When evaluating what happened, pay attention to:

a. Coding

- Did the posted transaction have the correct Fund, AI, PI, Object, Project, etc.?
 - Check the coding in AFRS, not on the source document, to be sure how it actually posted.

b. Payment

- Was there a payment involved and was it made to the correct vendor?
 - If so, you may only need to correct your coding or G/L's.
 - However, if a payment was made to the wrong vendor, you also need to get the money back.

c. G/L's

- Were the correct general ledger accts debited and credited?
 - To determine this, you need to do T-accounts for the debits and credits of the original transaction AND any related system-generated transactions.
 - For example, if a payment TC was entered, AFRS would have generated a wrap transaction.
 - Include these related transactions to see the complete picture.

C. Determine the Account (fund) and characteristics.

Select the Correct Account (Fund) From Your Chart of Accounts.

Look at the appropriation index table to see what funds your agency uses, for example, **401 Correctional Industries Account**.

D. Determine if the State Treasurer (OST) is needed to complete the accounting event.

To determine if the treasurer needs to be involved, ask if cash needs to be moved either between funds or between agencies. If it does, the treasurer needs to be involved.

- a. If the treasurer needs to be involved, use a TC that includes an In-Process account (71XX).
 - You will need to send a copy of your document to the treasurer unless it is a payment, IAP or IFT.
 - For these, AFRS automatically sends transactions electronically to the OST.
- b. If the correction does not involve a cash transfer, OST does not need to be involved.
 - Use a TC that does not include an In-Process account (71XX).
 - Many times it's ok to use the 9920 clearing account. If you do, make sure the debit and credit 9920 amount equal zero.

E. Determine which AFRS table fields are required and which are not allowed for the transaction code.

If moving cash between agencies or funds, select appropriate cash account based on cash type identified above.

- For Treasury/Treasury Trust Funds (Cash Type 1 or 2 on the Fund Table) use:

7110	Receipts In-Process
7120	Warrants In-Process
7130	Cancellation In-Process
7140	Journal Vouchers In-Process

- For Local Funds (Cash Type 3) use:

1110	Cash in Bank
1120	Undeposited Local Cash

IN-PROCESS ACCOUNT POSTING GUIDELINES

1. For transactions to clear an in-process account (7110, 7120, 7130, 7140), the following must match:
 - Agency
 - Sub-agency
 - In-Process Account #
 - Fund
 - Document # (Suffix # does **NOT** need to match)
 - Amount

- Use the correct DR/CR indicator on manual JV's sent to the treasurer. OST does not post in-process accounts based on TC, but does post in-process accounts based on the DR/CR indicator:

<u>If Your TC</u>	<u>Treasurer's DR/CR Indicator</u>
DEBITS In-Process	CR
CREDITS In-Process	DR

For the GL Accounts that you may need to use, refer to the Illustrative Entries in the State Administrative and Accounting Manual (SAAM): <http://www.ofm.wa.gov/policy/SAAM.pdf>.

F. Determine if the transcode indicators affect the transaction.

View the TC selected on the AFRS screen **TM.1.2** or on the report **TCD910A** (numeric by TC with no file postings). Use indicators to identify the fields required and allowed for each TC.

Example: If the current transaction includes GL 6410, it must have the originating document number in the reference number field.

DOCUMENT FILE POSTING GUIDELINES

For encumbrance reporting (G/L 6410):

- Use TCs that post to the document file for encumbrance reporting by document #.
 - Example: TM.1.2 TC 305 Issue LT Receivables*
- Use TC that DO NOT post to the document file for encumbrance reporting at the summary level only.
 - Example: TM.1.2 TC 735*

SUBSIDIARY FILE POSTING GUIDELINES

- Subsidiary is REQUIRED by edits on the following DUE FROM and DUE TO accounts:

Description	Due From	Due To
Federal Government	1351	5151
Other Governments	1352	5152
Other Funds	1353	5153
Other Agencies	1354	5154

- Subsidiary may be used on an optional basis but only with TCs that allow it as an optional field.
- Prior to using a subsidiary code to indicate a valid fund or agency, it must first be added by your agency to the AFRS Descriptor Table D-32 (Due from XXXX).
- PLEASE NOTE:
 - Use a debit subsidiary with the debit G/L
 - Use a credit subsidiary with the credit G/L
 - If reversing a transaction using the R (Reverse) code, and a debit subsidiary was used with a debit G/L account on the original transaction, the debit subsidiary will still be used when the TC is reversed. (The reverse code causes the position of the G/L and subsidiary to remain a debit and multiplies the amount by -1.)

G. Determine if the fiscal month of the transaction matches the FM indicator of the TC.

View the TC selected on AFRS screen TM.8 or on report TCD910A (numeric by TC/no file postings). Use indicators to identify:

- Fiscal months in which a TC is valid.

GUIDELINES FOR USING TCS IN 800 SERIES MARKED "CUTOFF"

1. Transactions in the 800's with "CUTOFF" in the title should only be used for activity related to the Fiscal Year Cutoff Policy.
2. Many of these TCs are used in the ensuing fiscal year for liquidations of payables or receivables that were originally set up in the concluding fiscal year.
3. Use of these TCs is covered in the CAFR Introduction & Update Classes held in the last quarter of each fiscal year.
4. Is it restricted to OFM or the Treasurer?
 - a. RST column: O = OFM only; T = Treasurer only; blank = not restricted
5. Does it post to the warrant write file (i.e. - generates a payment)?
 - a. WAR column: W = creates a warrant write record; C = creates a credit memo warrant write record; blank = does not create a warrant write record

Once you know:

- the GL Account debit(s) / credit(s),
- the Fiscal Month the transaction is to occur. and
- the code(s) that needs to be corrected,
- then decide on the correct TC to use.

Refer to TC tables:

- Remember to check the transaction edit indicators to make sure the TC you want to use allows the coding elements you need to correct.
- Also, be sure to check the payment indicator to make sure you only generate a payment if needed.
- Remember that the transaction can only post to an open fiscal month.

If the TC chosen will not allow coding elements or the fiscal period needed for the accounting event you are recording, go back and locate a different TC.

Final Note:

Don't be afraid to make a mistake or ask for help. Selection of the correct transaction code can be very complex and requires a thorough understanding of your agency funds, appropriations, and reporting requirements. We encourage you to develop this understanding and attempt to locate appropriate transaction codes.

We also want you to know that your OFM Statewide Accounting Consultant is available to assist you in transaction code selection and encourage you to contact them, especially if you are developing a new process for your agency, to verify that the transaction code you want to use will have the desired effect.