

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Table of Contents

OVERVIEW .....	2
Introduction .....	2
Policy .....	2
BANK SELECTION .....	3
Bank Approval .....	3
Account Number and Bank Code.....	3
Deposit Form .....	3
SEGREGATION OF DEPOSITS .....	4
General Information .....	4
Cash and Checks .....	4
Electronic Credit Card Receipts .....	4
Paper Credit Card Receipts .....	5
Debit Card Receipts .....	6
Wire Transfer Receipts .....	6
Automated Clearinghouse (ACH) Credit Receipts .....	6
Deposit Type Reporting .....	6
FORM PREPARATION.....	7
Agencies.....	7
Use of Deposit Tickets .....	7
Use of Deposit Certificates .....	8
Additional Distribution Coding.....	8
Blank, Photocopied, Deposit Certificates.....	9
Distribution Continuation Pages .....	9
Deposit Certificate and Ticket Batching .....	10
Example .....	10
FORM DISTRIBUTION .....	15
Standard Form.....	15
SPECIAL INSTRUCTIONS .....	16
Commingled Funds .....	16
Unidentified Federal Revenue — Agencies .....	16
Sales Tax Receipts .....	17
Checks Returned by Depository Institutions.....	17
Federal Reserve Check Endorsement Standards .....	17
The Payee Endorsement .....	17
Pre-Encoded Work.....	18
Failure to Adhere to the Standards.....	18
Third Party Deposits .....	18
Reporting Deposits to the Department of the Treasury.....	19
Bank Reconciliation Items .....	19
How to Order Deposit Tickets .....	19
How to Order Deposit Certificates.....	20
INTERNAL CONTROLS .....	21
Internal Controls .....	21
RECORDS RETENTION.....	22
Record Retention.....	22
CONTACTS .....	22
Contacts.....	22
SUBJECT CROSS REFERENCES.....	23
References.....	23

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Overview

---

**Introduction** This topic provides guidelines and references to assist agencies and institutions in developing procedures to properly account for, report, and manage deposits of receipts in the manner prescribed by the State Treasurer and in accordance with the *Code of Virginia*, (§2.2 et seq.).

---

**Policy** State agencies and institutions collecting or receiving public funds or moneys from any source, belonging to or for the use of the Commonwealth, or for the use of any State agency, shall deposit such funds into the State Treasury, without any deductions or account of salaries, fees, costs, charges, expenses, refunds (except credit card refunds as outlined in the subtopics entitled “Electronic Credit Card Receipts” and “Paper Credit Card Receipts”) or claims.

*The processing and deposit of State receipts will be completed on the day received or no later than the next banking day. To expedite the flow of funds, agencies should develop internal processing systems capable of separating payments received from the related accounting documents at the earliest possible processing point. Agencies shall consider the full range of cash management techniques and banking services available. Such techniques and services should be analyzed to determine any benefits that can be derived from their use. Assistance is available from staff of the Department of Treasury’s Cash Management and Investments Division.*

All State receipts will be deposited on the day received or no later than the next banking day. Any exceptions to this policy should be justified by the small amount collected and the availability of adequate safekeeping facilities. Processing during peak workload periods or extenuating circumstances may justify a short extension of the depositing requirements and will be considered by the Department of the Treasury on an exception basis. Requests for exceptions should be addressed to the Manager, Cash and Banking, Department of the Treasury.

*All State receipts will be recorded in CARS in a timely manner within three business days of the deposit. Requests for exceptions should be addressed to the Director, General Accounting, Department of Accounts.*

---

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Bank Selection

---

**Bank Approval** Agencies must obtain approval from the Manager, Cash and Banking of the Department of the Treasury, to use a bank(s) for deposits of all State receipts. This also applies to requests to change banks. This process is outlined in CAPP Topic 20210—*Bank and Cash Management Services*.

---

**Account Number and Bank Code** When approval is granted to use a bank, a bank account number and bank code will be provided which must be used for all deposits to that bank. A designated deposit form, either a deposit certificate (DC) or deposit ticket (DT), must be used to make deposits. The correct bank name, bank code, and account number must be properly entered on all copies of the deposit form.

---

**Deposit Form** The Deposit Form serves two primary purposes:

1. To serve as the input document to the Commonwealth Accounting and Reporting System (CARS) for all deposits, including expenditure refunds, and
2. To provide auditable records for revenues and other receipts.

---

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Segregation of Deposits

### General Information

There **MUST BE A ONE-TO-ONE MATCH** between the deposit entry that posts to the Treasurer's bank account and the deposit total reported in CARS. The **AMOUNTS MUST BE THE SAME** regardless of the method of input to CARS.

**DEPOSITS MUST BE SEGREGATED BY TYPE** so that different types of deposit activity are not commingled on a deposit form (i.e., cash deposits should be separated from credit card receipts). Each type of deposit activity noted below must be reported on a separate deposit form, using a separate DC number.

### Cash and Checks

Receipts of U.S. currency and checks may be combined on a single deposit form. Agencies should call their respective depository, whenever depositing a foreign check, and determine the exchange rate for the date of deposit and amount for which credit will be given. Checks should be recorded in CARS for the U.S. dollar equivalent after adjustments for exchange rates have been made.

### Electronic Credit Card Receipts

Electronic credit card receipts must be further segregated on a separate deposit form by the type of credit card (i.e., Visa/Mastercard, American Express, Discover, etc.).

Preparation of the deposit form depends upon how the electronic system records and transmits deposit information to the bank. Summary totals may be by agency/institution, location, or terminal. Posting for these categories may be for the entire day or for multiple transmissions during the day. Some systems are flexible and can be modified to meet agency requirements. Regardless of the methodology used, the **ONE-TO-ONE** deposit match must occur (i.e., transmission amount = deposit form amount). The method of posting deposits must be agreed upon by the credit card processor, the bank, and the agency/institution. The deposit form should be completed accordingly.

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Segregation of Deposits, Continued

---

Occasionally a customer requests a refund/credit on a prior charge. The agency/institution records a credit transaction by keying the credit into the electronic system. These credits are netted against all sales transactions for the posting period and a net total is entered on the deposit form. Refunds are required to be processed as credits to the original credit cards. Other refund methods violate the merchant agreement resulting in penalty charges. Additionally, crediting the card reverses the discount fee charged for the original transaction.

The certified amount on the deposit form is the net of the credit card charges and credits. This amount may be positive or negative. *Net credits should be coded using transaction code 170.*

---

### **Paper Credit Card Receipts**

Paper credit card receipts must be further segregated by the type of credit card and reported on separate deposit forms (i.e., Visa/Mastercard, American Express, Discover, etc.).

The agency/institution must:

- Total all paper based credit card transactions for the day
- Record the total on a deposit form with the proper accounting distribution, and
- Deliver a deposit ticket, a copy of the deposit form, and the paper credit card sales tickets and credits to the bank.

The total of all tickets (sales transactions less credits) must equal the total on the deposit form.

When a customer requests a refund/credit on a prior charge. The agency/institution records a credit transaction on the credit card refund document. These credits are netted against all sales transactions for the posting period and a net total is entered on the deposit form. Refunds are required to be processed as credits to the original credit cards. Other refund methods violate the merchant agreement resulting in penalty charges. Additionally, crediting the card reverses the discount fee charged for the original transaction.

The certified amount on the deposit form is the net of the credit card charges and credits. This amount may be positive or negative. *Net credits should be coded using transaction code 170.*

---

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Segregation of Deposits, Continued

---

### Debit Card Receipts

Preparation of the deposit form depends upon how the electronic system records and transmits deposit information to the bank. Summary totals may be by agency/institution, location, or terminal. Also, posting for these categories may be for the entire day or for multiple transmissions during the day. Some systems are flexible and can be modified to meet agency requirements. Regardless of the methodology used, the **ONE-TO-ONE** deposit match must occur. The method of posting deposits must be agreed upon by the debit card processor, the bank, and the agency/institution. The deposit form should be completed accordingly.

---

### Wire Transfer Receipts

Each wire transfer receipt must be recorded on a separate deposit form. If multiple wire transfers are received on one day, an **individual deposit form** must be prepared for **each** receipt. All reoccurring wire transfer receipts (from the same payor) must be arranged through the Department of the Treasury's Cash Management and Investments Division. Special instructions can be obtained for these transactions by calling (804) 225-2647.

---

### Automated Clearinghouse (ACH) Credit Receipts

Each ACH credit receipt must be recorded on a separate deposit form. If multiple ACH credits are received on one day, **individual deposit forms** must be prepared for **EACH** receipt. All reoccurring ACH credit receipts (from the same payor) must be arranged through the Department of the Treasury's Cash Management and Investments Division. Special instructions can be obtained for these transactions by calling (804) 225-2648.

---

### Deposit Type Reporting

Each deposit certificate must be coded with a two-digit deposit type. This deposit type assists the Department of the Treasury in reconciliation efforts. The following deposit types are available:

- 01 – Cash and check deposits
- 02 – Lock box deposits
- 03 – Wire-in deposits
- 04 – Automated clearinghouse deposits
- 05 – Credit card deposits
- 06 – ZBA Transfers
- 07 – Bank credit memos
- 08 – Bank debit memos

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Preparation

### Agencies

Agencies must order (or obtain approval for) their DC's and deposit tickets as directed by the Department of the Treasury (see subtopic entitled "Ordering Deposit Tickets (DTs) and Deposit Certificates (DCs). Due to size and organizational factors, some agencies use DCs with preprinted information and codes unique to their operations.

Prior approval from the Department of Treasury, Bank Reconciliation Manager, must be obtained by agencies that do not use pre-numbered deposit tickets or DC's. A deposit certificate number range must be provided by Treasury.

### Use of Deposit Tickets

The document number assigned to each deposit (currently the DT number) is recorded on each deposit ticket at the bottom of the ticket in the MICR-line. This eight-digit number is segregated as follows:

Digits 1-4 are fixed based on bank and agency number:

1<sup>st</sup> Digit =     4 SunTrust ERP  
                   5 Wachovia General Investments  
                   6 Wachovia (Credit Card Account)  
                   7 Bank of America General Investments  
                   8 SunTrust Bank General Investments  
                   9 BB&T

Digits 2-4 =   Agency Number

Digits 5 through 8 are variable:

*Digits 5-8 = 0001-9999*

This range is controlled by the printing vendor.

Agencies prepare the deposit ticket in duplicate. The original deposit ticket is retained by the bank; the copy and the validated deposit receipt from the bank remain at the agency. To submit deposit data to CARS, agencies will use the deposit ticket, the deposit receipt from the bank, and internal documents. Enter the deposit ticket number in the current document number field. See CAPP Topic —*Data Entry* for detailed entry instructions.

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Preparation, Continued

### Use of Deposit Certificates

Deposit certificates are not used for Bank of America, Wachovia, SunTrust, or BB&T; these banks require deposit tickets.

There is one type of deposit certificate form—see subtopic "Ordering Deposit Tickets (DTs) and Deposit Certificates (DCs)."

#### **Standard DC - Form #260**

A five-part form that may be used at any of the banks approved by the Department of the Treasury, except those for which a bank specific DC has been developed. This form is not bank specific; a separate bank deposit ticket must also be used. The "Instructions" section is attached to the first page of the form set.

### Additional Distribution Coding

The Standard DC Form #260 provides up to five separate distribution lines to record accounting entries. If more than five distribution lines are needed, an agency has two options:

1. Use a blank photocopied DC; or
2. Use distribution continuation pages.

The total number of distribution lines is limited to 99 regardless of the option used.

*Continued on next page*



Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Preparation, Continued

### Blank, Photocopied, Deposit Certificates

If more space is needed to enter account coding in the "Distribution" section of the deposit certificate, reproduce (photocopy) the original deposit certificate (Comptroller's copy) on 8 1/2 x 11 inch white paper. The number of copies depends on the number of distribution lines needed. Before reproducing, remove the "Instructions" section. The Current Document or DC Number in the upper right-hand corner of the reproduced copies must be the same as on the original form used for the deposit.

Enter the actual deposit amount in the "Deposit" (top) section of the form. Start coding entries on the original deposit certificate form that was used to make the copies. If there is a total block at the bottom of the first sheet, enter the total of all distribution amounts for the deposit. Complete the distribution on the reproduced copies by making entries in the "Distribution" (bottom) section only. The actual deposit amount must equal the net cash amount of all the distribution lines. Attach any reproduced copies to the original DC form.

### Distribution Continuation Pages

If more space is needed to enter account coding in the "Distribution" section of the DC, agencies may obtain distribution continuation pages (Form No. DA-02-038A). The number of pages depends on the number of distribution lines needed. The DC number (Current Document Number) in the upper right-hand corner of the pages must be the same as the DC number on the original DC form used for the deposit.

Enter the actual deposit amount in the "Deposit" (top) section of the form. Start coding entries on the original deposit certificate form. Complete the distribution on the continuation page(s). The actual deposit amount should equal the net cash amount of all the distribution lines. Attach any continuation pages to the original DC form.

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Preparation, Continued

---

### Deposit Certificate and Ticket Batching

DCs and DTs are batched using the procedures outlined in CAPP Volume 3, Topic No. 70235—*Input Batching* with the following additional requirements: The batch header has a 13-digit identification number consisting of a 3-digit batch agency number, 6-digit batch date, 1-digit batch type, and 3-digit batch number: The batch agency number must equal the agency number in the top right-hand corner of the DC or DT. The transaction agency may differ from the batch agency/credit agency.

The second requirement is that the batch date must be the same date as the date of the deposit as coded on all DC's and DT's included in the batch. In other words, an agency with 4 deposit certificates with 4 different dates of deposit must prepare 4 different batches. One final requirement is the batch type; for DC's and DT's it is type 7. The remaining fields of the batch header are coded in accordance with CAPP Volume 3, Topic No. 70235—*Input Batching*."

---

### Example

The following instructions apply to the standard and bank specific form as follows:

Form 260 — Departments and Institutions

---

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Preparation, Continued

The item numbers below correspond with the same numbers circled on sample Form 260 at the end of these instructions.

### "DEPOSIT" SECTION

1	<b>LOCATION – CITY OR COUNTY</b>	Where depositor is located.
2	<b>PLACE OF DEPOSIT</b>	Where deposit is actually made.
3	<b>DATE OF DEPOSIT</b>	Actual date of deposit. Must be readable on all copies.
4	<b>LOC. NO.</b>	Locality Number. If not required, leave blank.
5	<b>AGENCY NO.</b>	3-digit number of the agency making the deposit. (See CAPP Volume 2, Topic No. 60104— <i>Agency and FIPS Codes.</i> )
6	<b>DEPOSITED BY</b>	Name or title of agency making deposit.
7	<b>LINE COUNT</b>	The total number of accounting distribution lines entered on the DC and all distribution sheets. A maximum of 99 lines may be entered per DC.
8	<b>CONTINUATION SHEETS</b>	The total number of additional distribution sheets attached.
9	<b>SUM OF \$ _____ Exactly _____ Dollars</b>	Total amount of deposit in both words and numbers.
10	<b>BANK STAMP</b>	Use a rubber stamp on all copies to enter bank name, location of account, bank code and bank account number. The bank code is assigned to the Bank Account number. Obtain this information from the Department of the Treasury, Bank Reconciliation Section.
11	<b>TELLER STAMP OR SIGNATURE</b>	For Bank use only. (Either a teller stamp or signature indicating that deposit has been made and date of deposit.)

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Preparation, Continued

Use a separate distribution line for each accounting entry (i.e., transaction code, GLA, fund, etc.). If additional space is required for listing the deposit distribution, see the subtopic entitled, "Additional Distribution Coding."

### "DISTRIBUTION" SECTION

12	<b>TRANS</b>	Required 3-digit transaction code. Only transaction codes established for batch type 7 can be used on Deposit Certificates (see CAPP Volume 2, Topic No. 60103— <i>Transaction Codes</i> , for detailed descriptions of each code).
13	<b>AGENCY</b>	Required 3-digit agency code to which the deposit will be credited (see CAPP Volume 2, Topic No. 60104— <i>Agency and FIPS Codes</i> ).
14	<b>GLA</b>	3-digit general ledger account number. <u>Only necessary when required by the Trans Code</u> (i.e., Trans Code 002).
15	<b>FUND</b>	Required 2-digit fund or 4-digit fund/fund detail to which the deposit will be credited. (See CAPP Volume 2, Topic No. 60106— <i>Fund Codes</i> .)
16	<b>FFY</b>	Required 2-digit state funding fiscal year.
17	<b>PROGRAM</b>	<u>Only necessary when required by the Trans Code</u> . 3-digit program, and if applicable the 2-digit subprogram and 2-digit element codes, to which the original expenditure was charged. (See CAPP Volume 2, Topic No. 60107— <i>Program Codes</i> .) When program code is 998, a capital outlay project code is required (see item 21).
18	<b>OBJECT</b>	<u>Only necessary when required by the Trans Code</u> . 4-digit object code to which the original expenditure was charged. (See CAPP Volume 2, Topic No. 60108— <i>Expenditure Codes</i> .)
19	<b>REVENUE SOURCE</b>	<u>Only necessary when required by the Trans Code</u> . 5-digit revenue source code. (See CAPP Volume 2, Topic No. 60109— <i>Revenue Source Codes</i> .) If a specific federal revenue source cannot be identified, use code 10000 (See the subtopic entitle "Unidentified Federal Revenue-Agencies.")

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Preparation, Continued

### "DISTRIBUTION" SECTION (Continued)

20	<b>AMOUNT</b>	Transaction amount in dollars and cents.
21	<b>PROJECT</b>	When applicable, the 5-digit project code, the 2-digit project task, and the 2-digit project phase. Trans Codes 017 and 052 require at least the 5-digit project code. <u>A CAPITAL OUTLAY PROJECT CODE REQUIRES THAT PROGRAM CODE 998 IS CODED IN NUMBER 17 ABOVE, REGARDLESS OF THE TRANSACTION CODE.</u>
22	<b>COST CODE</b>	Optional 3-digit cost code. (See CAPP Volume 2, Topic No. 60105— <i>Cost Codes.</i> )
23	<b>FIPS</b>	Optional 3-digit FIPS code. (See CAPP Volume 2, Topic No. 60104— <i>Agency and FIPS Codes.</i> )
24	<b>PSD</b>	Leave blank.
25	<b>AGENCY REFERENCE</b>	Optional 9-digit agency reference information.
26	<b>REFERENCE DOCUMENT NUMBER AND SUFFIX</b>	For GLA 105 only (Trans Code 010) - The reference document and suffix number that corresponds to the current document and suffix number on the original request for the travel advance.
27	<b>SUBSIDIARY ACCOUNT</b>	Leave Blank.
28	<b>MULTI-PURPOSE</b>	6-digit code of which position 5 and 6 must be coded with the Treasury Deposit Type: 01 – Cash and check deposits 02 – Lock box deposits 03 – Wire-in deposits 04 – Automated clearinghouse deposits 05 – Credit card deposits 06 – ZBA Transfers 07 – Bank credit memos 08 – Bank debit memos
29	<b>CHECK MARK</b>	Leave blank.
30	<b>BOX (Form 260 only)</b>	Check box if distribution sheets are attached.

*Continued on next page*

Volume No. 1—Policies and Procedures	TOPIC NO	20205
Function No. 20000—General Accounting	TOPIC	Deposits
Section No. 20200—Cash Receipts Accounting	DATE	May 2006

## Form Preparation, Continued

Form 260 Treas  
D and I (Revised: 6-92)

**COMMONWEALTH OF VIRGINIA**  
DEPARTMENT OF THE TREASURY

VERIFICATION NUMBER \_\_\_\_\_  
CURRENT DOCUMENT **DC.135501**

LOCATION-CITY OR COUNTY <b>1</b>	PLACE OF DEPOSIT <b>2</b>	DATE OF DEPOSIT <b>3</b>	AGENCY NO. <b>5</b>	LOC. NO. <b>4</b>
DEPOSITED BY <b>6</b>				
				LINE COUNT <b>7</b>
				CONTINUATION SHEETS <b>8</b>

**DEPOSIT CERTIFICATE**

**This is to Certify Receipt by this Bank on this Date from the Agency of Government shown above for Deposit to the Credit of the Treasurer of Virginia, the Sum of** **9** **\$**

**EXACTLY** **9** **DOLLARS**

COPY DISTRIBUTION 1 - WHITE 2 - CANARY - COMPTROLLER 3 - PINK - DEPOSITOR 4 - BLUE - BANK 5 - GREEN - FILE <b>4</b>	BANK STAMP <div style="border: 1px solid black; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 10px auto;"><b>10</b></div>	TELLER STAMP OR SIGNATURE BY: <b>11</b> DATE: _____
---	--	---

**DISTRIBUTION**

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT		
			FUND	DET		PROG	SUB	ELE				PROJECT	TK	PH
<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>				<b>18</b>	<b>19</b>	<b>20</b>			<b>21</b>
COST CODE	FIPS	PSD	AGENCY REFERENCE			REFERENCE DOCUMENT NUMBER		EX	SUBSIDIARY ACCOUNT	MULTI-PURPOSE	<input checked="" type="checkbox"/>			
<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>			<b>26</b>			<b>27</b>	<b>28</b>	<input checked="" type="checkbox"/>	<b>29</b>		

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT		
			FUND	DET		PROG	SUB	ELE				PROJECT	TK	PH
COST CODE	FIPS	PSD	AGENCY REFERENCE			REFERENCE DOCUMENT NUMBER		EX	SUBSIDIARY ACCOUNT	MULTI-PURPOSE	<input checked="" type="checkbox"/>			

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT		
			FUND	DET		PROG	SUB	ELE				PROJECT	TK	PH
COST CODE	FIPS	PSD	AGENCY REFERENCE			REFERENCE DOCUMENT NUMBER		EX	SUBSIDIARY ACCOUNT	MULTI-PURPOSE	<input checked="" type="checkbox"/>			

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT		
			FUND	DET		PROG	SUB	ELE				PROJECT	TK	PH
COST CODE	FIPS	PSD	AGENCY REFERENCE			REFERENCE DOCUMENT NUMBER		EX	SUBSIDIARY ACCOUNT	MULTI-PURPOSE	<input checked="" type="checkbox"/>			

TRANS	AGENCY	GLA	FUND		FFY	PROGRAM			OBJECT	REVENUE SOURCE	AMOUNT	PROJECT		
			FUND	DET		PROG	SUB	ELE				PROJECT	TK	PH
COST CODE	FIPS	PSD	AGENCY REFERENCE			REFERENCE DOCUMENT NUMBER		EX	SUBSIDIARY ACCOUNT	MULTI-PURPOSE	<input checked="" type="checkbox"/>			

**30** here if a DC distribution sheet is attached.

Continued on next page

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Form Distribution

---

**Standard Form** Copies of the Deposit Certificate (DC) are distributed as follows:

<b>White</b>	Remain with the agency to be made available at Treasury's request.
<b>Canary</b>	Remain with the agency
<b>Pink</b>	Depositor (Primary State Agency)
<b>Blue</b>	Additional Agency Copy
<b>Green</b>	Local Unit, District Court, ABC Store, Community College, etc

---

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Special Instructions

### Commingled Funds

**Non-State Funds** are deposited to an agency or institution's local bank account and are not under the control of the Department of the Treasury. The responsibility for the management and investment of non-State funds resides with the agency. Non-State funds are not subject to the Comptroller's policies governing the disbursement of State funds. However, non-State fund accounting practices are subject to audit by the Auditor of Public Accounts (APA) and authorized public accounting firms.

**State Funds** cannot be deposited into local or private fund accounts, except by institutions of higher education, where a receipt commingles State and local or private funds. In such a case, the State portion must be segregated and transferred immediately (**SAME DAY**) into the State account. State tuition and fee payments, including admission fees and deposits for housing paid in advance, are considered revenues upon receipt. Such receipts should be promptly deposited or transferred to the State's General Account.

In certain instances, due to systems constraints or during abnormally high deposit activity, it may be difficult for institutions to determine within a 24-hour period the exact distribution of cash between State funds and locally controlled funds. Rather than delay the deposit of the State's portion of funds until time permits such an accurate determination, an estimated distribution of all commingled funds to the State depository account should be made based on the past history of the institution. Deposits to the State account should be made on this basis until the final determination as to the precise distribution between State and local funds can be made. It should be emphasized that an institution should make this final reconciliation and distribution as expeditiously as possible.

### Unidentified Federal Revenue — Agencies

If federal funds are received which cannot be identified to a specific federal revenue source code, use Revenue Source Code 99000 (Other Assistance – Unidentified Federal Grant). If Revenue Source Code 99000 is used, submit an Agency Transaction Voucher (See CAPP Topic No. 20410—Intra-Agency Transactions) distributing the federal revenue to the appropriate revenue source code as soon as possible, but in no case later than the end of the State's fiscal year.

*Continued on next page*



Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Special Instructions, Continued

---

**Sales Tax Receipts** State Sales Tax Receipts should be deposited to GLA 547 - Deposits Pending Distribution in Fund 0100. This is accomplished on a deposit certificate using Transaction Code 002, your agency code, GLA 547, the current fiscal year, and the dollar amount. (See CAPP Topic No. 20405—*Inter-Agency Transactions* for details on transferring these collections to the Department of Taxation.)

State Sales Tax Receipts should not be commingled with any other revenue recorded when the sales tax was received (i.e., a separate line on the deposit certificate is required recording the funds in GLA 547).

---

**Checks Returned by Depository Institutions** Procedures must be established to promptly "buy back" checks that are returned by depository institutions when funds cannot be collected on processed deposits. Checks should be bought back within three banking days. (Also see CAPP Topic No. 20330—*Petty Cash*.)

---

**Federal Reserve Check Endorsement Standards** On September 1, 1988, under Regulation CC, the Federal Reserve began to enforce Check Endorsement Standards as part of the Expedited Funds Availability Act. These regulations are aimed at improving the efficiency and accuracy of the check return process, thereby limiting the risk of not collecting funds. Your endorsement is limited to 1 1/2 inches at the top of the back of the check within the check's preprinted endorsement area. If you stamp information which extends outside of the 1 1/2 inch area, you risk losing the right to refuse a dishonored check that is returned late by a financial institution.

---

**The Payee Endorsement** Since State agencies often share a common bank account, it is important that endorsements include adequate information to identify the depositor and the depositing location. Endorsements on checks deposited into Treasurer of Virginia accounts shall be according to the format outlined below:

For Deposit Only To:

Treasurer of Virginia

*Agency Name (and agency location or FIPS Code, if appropriate)*

Depository Bank Name and Branch

Bank Account Number

---

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Special Instructions, Continued

---

### Pre-Encoded Work

Agencies which pre-encode checks prior to deposit should discuss the endorsement standards with their bank(s). Pre-encoded depositors will not only have to ensure that their endorsement is located within the first 1 1/2 inches, but if they are also including the bank's endorsement, this must be properly located within the band reserved for the depository bank. In addition, the bank endorsement must be a "block style endorsement" and must include:

1. depository bank's transit routing number set off by arrows
2. depository bank's name and location, and
3. endorsement date.

Also, the depository endorsement must be provided in either purple or blue ink.

---

### Failure to Adhere to the Standards

It is important to follow the endorsement procedures to increase the speed and accuracy of the return process, and to ensure your payment. You must be extremely careful to guard against accepting or depositing checks which contain markings in the depository bank's endorsement area. If any endorsements, check verification stamps or other markings make the depository bank's endorsement illegible, you may lose the right to refuse a dishonored check which is returned late.

---

### Third Party Deposits

CAPP Topic 20210—*Bank and Cash Management Services* states that the procurement of agency-specific, banking-related cash management services such as third-party lock box and deposit reporting services requires prior review and formal approval of the Department of the Treasury. Agencies that use third-party individuals or organizations to collect and deposit receipts on behalf of the agency must ensure that those services are subject to the same performance standards for deposits as outlined in this topic.

*Continued on next page*

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Special Instructions, Continued

### Reporting Deposits to the Department of the Treasury

The Department of the Treasury must manage fund balances held in each bank account. Agencies are responsible for immediately reporting all State deposits by submission of deposit certificate data to CARS on-line or by transmission to disk at DIT. In addition to these reporting procedures, deposits in excess of \$1,000,000 should be reported immediately by phone to Treasury's Cash Management and Investments Division (804/225-3166). Those agencies already reporting all deposits by phone on the deposit reporting system are exempt from this additional requirement.

### Bank Reconciliation Items

The Department of the Treasury has established GLA 565 – Bank Reconciling Items to correct bank reconciliation items resulting from deposit transactions of state agencies and institutions. See CAPP Topic 20910 – *Bank Deposit Reconciliation Procedures* instructions.

### How to Order Deposit Tickets

Follow the steps below to order Deposit Tickets (DTs).

Step	Action
1	Contact the Bank Reconciliation Unit of the Department of Treasury at (804) 371-6166. This unit will place the initial order to be shipped directly to the agency.
2	A deposit ticket reorder form will be located in the deposit ticket book to be used last. When you need to reorder, complete the reorder form with the quantity desired with the agency's complete mailing address (Street address not P.O. BOX). Take this reorder form to your local bank branch and additional deposit tickets with the next consecutive number in your range will be shipped to your address within two weeks.

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

**How to Order  
Deposit  
Certificates**

Follow the steps below to order Deposit Certificates (DCs).

<b>Step</b>	<b>Action</b>												
1	<p>Send the Bank Reconciliation Unit a purchase order form and an Interagency Transfer Voucher (IAT) complete with distribution coding for both the DC form and for freight.</p> <p>Forms should be sent to:</p> <table border="0"> <tr> <td><u>Interagency Mail</u></td> <td><u>U.S. Postal Service</u></td> </tr> <tr> <td>Attn: Deposit Form Order</td> <td>Attn: Deposit Form Order</td> </tr> <tr> <td>Department of the Treasury</td> <td>Department of the Treasury</td> </tr> <tr> <td>3rd Floor, James Monroe Building</td> <td>P.O. Box 1879</td> </tr> <tr> <td>101 N. 14th Street</td> <td>Richmond, Virginia 23218-1879</td> </tr> <tr> <td>Richmond, Virginia 23219</td> <td></td> </tr> </table>	<u>Interagency Mail</u>	<u>U.S. Postal Service</u>	Attn: Deposit Form Order	Attn: Deposit Form Order	Department of the Treasury	Department of the Treasury	3rd Floor, James Monroe Building	P.O. Box 1879	101 N. 14th Street	Richmond, Virginia 23218-1879	Richmond, Virginia 23219	
<u>Interagency Mail</u>	<u>U.S. Postal Service</u>												
Attn: Deposit Form Order	Attn: Deposit Form Order												
Department of the Treasury	Department of the Treasury												
3rd Floor, James Monroe Building	P.O. Box 1879												
101 N. 14th Street	Richmond, Virginia 23218-1879												
Richmond, Virginia 23219													
2	<p>Treasury completes the amount for freight charges based on costs incurred by the printer for shipping.</p> <p>Treasury batches and inputs the IAT to the Commonwealth Accounting and Reporting System (CARS) after the printer has notified Treasury of the shipment to your agency.</p> <p><b>Orders will not be processed unless an IAT is submitted with the purchase order for DCs.</b></p>												
3	<p>Agencies may wish to have information crash imprinted on the DC forms. The additional cost of this service will have to be negotiated with the printer, Miami Systems, Inc., of Richmond, Virginia.</p> <p>Miami Systems bills agencies directly for the cost of crash imprinting.</p> <p><u>Questions about crash imprinting:</u></p> <p>Miami Systems, Inc. at (804) 222-8746.</p>												

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Internal Controls

---

### Internal Controls

To expedite the flow of funds, agencies should develop internal processing systems capable of separating payments received from the related accounting documents at the earliest possible processing point. Agencies shall consider the full range of cash management techniques and banking services available. Such techniques and services should be analyzed to determine any benefit that can be derived from their use. Assistance is available from staff of the Department of the Treasury's Cash Management and Investments Division.

Each agency and institution should implement internal control procedures that preclude altering State deposits by exchanging personal checks for cash. Furthermore, internal controls should ensure that:

- Deposit policies and procedures are in accordance with Federal and State requirements, clearly stated, and systematically communicated through manuals, handbooks or other media.
- All deposits are properly and accurately recorded and accounted for in CARS *within three business days*, either through input on-line or interface of an agency-based accounting system to the disk at VITA, with subsequent reconciliation or correction, as needed.
- Check endorsements meet Federal Reserve requirements and include the phrase "For Deposit Only."

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Records Retention

---

### Record Retention

Agencies using the deposit certificate must retain the white copy of the deposit certificate for a three year period to be made available to Department of the Treasury at its request. A copy of each completed deposit certificate must be available to the Auditor of Public Accounts for audit purposes. Therefore, if the Treasurer's Office requests a copy of the deposit certificate, the agency must make a copy prior to mailing or must have retained an additional copy of the completed form. Any machine/bank teller receipts for the deposit are to be retained by the depositing agency for three years, and a copy made available to Treasury at its request.

Agencies using the deposit ticket must retain for a three year period a copy of the deposit ticket and the validated deposit receipt to be made available to Treasury upon request. The deposit ticket, validated receipt and batch ID where the deposit was entered into CARS must be retained by the agency until they have been audited by the Auditor of Public Accounts.

For pending, ongoing or unresolved litigation, audits or claims, retain documentation until completion, resolution, or negotiation of settlements and retain according to standard schedules.

Destruction of records must be in accordance with policies and procedures of the Records Management Section, The Library of Virginia.

---

## Contacts

---

### Contacts

Director, General Accounting  
Voice: (804) 225-2244  
Email: [gacct@doa.virginia.gov](mailto:gacct@doa.virginia.gov)

Manager, Bank Reconciliation (Treasury)  
Voice: (804) 786-6774 or (804) 225-3175  
Email: [CashProof\\_Manager\\_Mail@trs.virginia.gov](mailto:CashProof_Manager_Mail@trs.virginia.gov)

---

Volume No. 1—Policies and Procedures	<b>TOPIC NO</b>	<b>20205</b>
Function No. 20000—General Accounting	<b>TOPIC</b>	<b>Deposits</b>
Section No. 20200—Cash Receipts Accounting	<b>DATE</b>	May 2006

## Subject Cross References

---

### References

CAPP Topic No. 20210—*Bank and Cash Management Services*  
 CAPP Topic No. 20330—*Petty Cash*  
 CAPP Topic No. 20405—*Inter-Agency Transactions*  
 CAPP Topic No. 20410—*Intra-Agency Transactions*  
 CAPP Topic No. 60103—*Transaction Codes*  
 CAPP Topic No. 60104—*Agency and FIPS Codes*  
 CAPP Topic No. 60105—*Cost Codes*  
 CAPP Topic No. 60106—*Fund Codes*  
 CAPP Topic No. 60107—*Program Codes*  
 CAPP Topic No. 60108—*Expenditure Codes*  
 CAPP Topic No. 60109—*Revenue Source Codes*  
 CAPP Topic No. 70210—*CARS Magnetic Media Interface Requirements*  
 CAPP Topic No. 70230—*Data Entry*  
 CAPP Topic No. 70235—*Input Batching*

---