Section	05	ACCOUNTS PAYABLE, INTER AND INTRA UNIT PAYMENTS AND TRANSFERS	Effective Date	3/1/2017
Sub-section	15	Refund of Revenue Payments Involving Projects	Revision Date	11/2/2021
SAM Ref	n/a			

BACKGROUND

State agencies will sometimes receive incorrect payment amounts from their customers, and all or a portion of the payment must be returned. Since the incoming payment is usually recorded to a revenue account, the outgoing refund payment to the customer debits the same revenue account. This is problematic in STAR, because the Project Costing subsystem assumes that payments made through the Accounts Payable subsystem are related to expenditures – even though a revenue account is referenced. This then creates an imbalance between the General Ledger and the Project Costing subsystem.

POLICIES

A balance sheet account has been established to record outgoing refund of revenue payments that involve projects. Agencies must use this account on their payment transaction (without a Project ID), and then process a GL journal transaction to reverse the balance sheet entry and record the revenue debit to the project.

PROCEDURES

To record a refund of a $500 customer payment involving a project, create a voucher in the AP subsystem using the project clearing - refund of revenue balance sheet account (2799000).

DR/CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Account Name
DR	XXXXX	500.00	FY20XX	XXXXX	XXXXX	XXXXXXXXXX	2799000	Project Clrg – Refund of Revenue
CR	XXXXX	-500.00	FY20XX	XXXXX	XXXXX	XXXXXXXXXX	2000000	Accounts Payable - Control

Create a GL journal entry to reverse the project clearing - refund of revenue balance sheet account (2799000) and record the revenue debit to the appropriate project.

DR/CR	GL Unit	Line Amt	Bud Ref	Fd	Appn	Dept	Account	Proj	Actv	Src	Acct Name
DR	XXXXX	500.00	FY20XX	XXXXX	XXXXX	XXXXXXXXXX	4600000	XXXXXXXX	XXXXX	XXX	Gen -Lic & Permits
CR	XXXXX	-500.00	FY20XX	XXXXX	XXXXX	XXXXXXXXXX	2799000	n/a	n/a	n/a	Proj Clrg – Rfd of Rev