



Agency Policies and Procedures

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Receipts

Policy Objectives:

Agency policies and procedures for processing receipts are designed to:

- Properly record and deposit receipts,
- To process payments on open accounts, and
- To handle over payments.

Background Information:

Each division should develop their own Policy and Procedures to ensure that separation of duties are being maintained properly for internal control.

Processing receipts policies and procedures relate to applying payments received either by check, cash, MAPS, etc.

These agency policies and procedures supplement the MAPS Operations Manual Policy and Procedures 0602-03 and *Recording & Depositing Receipts* and 0504-01 *Processing Receipts and Crediting Accounts*

Authority:

- **Minnesota Statutes**
 - [M.S. § 16A.275 Agency Receipts, Deposit, Report, Credit](https://www.revisor.leg.state.mn.us/statutes/?id=16A.275) – This statute specifies when a receipt must be deposited, (<https://www.revisor.leg.state.mn.us/statutes/?id=16A.275>)
 - [M.S. § 15.415 Corrections In Transactions, Waivers](https://www.revisor.leg.state.mn.us/statutes/?id=15.415) – This statute specifies if and when incorrect transactions should be corrected, (<https://www.revisor.leg.state.mn.us/statutes/?id=15.415>)
- **MAPS Operations Manual**
 - [Policy and Procedure 0602-03](http://www.mmb.state.mn.us/chapter-6/270-270) specifies the state's policies and procedures for recording and depositing receipts. (<http://www.mmb.state.mn.us/chapter-6/270-270>)
 - [Policy and Procedure 0504-01](http://www.mmb.state.mn.us/chapter-5/257-257) specifies the states policies and procedures for processing receipts and crediting accounts. (<http://www.mmb.state.mn.us/chapter-5/257-257>)

Business Risks:

- Failure to deposit receipts in a timely manner may result in overstated accounts receivable, unnecessary collection actions, and may affect cash flow.

Policies and Procedures:

PART ONE – CASH RECEIPTS

1. Recording and Depositing Receipts
 - A. Verify payment received is for your division. Each day deposit all receipts that total \$250.00 or more. All receipts should be deposited within the month received even if total is less than \$250.00.
 - B. Complete form FI-00515 *Cash Receipts Accounting View* or form FI-00516 *Cash Receipts All Attributes View*.
 - C. Post cash receipts to account receivable system monthly.
 - D. Reconcile with Department of Minnesota Management and Budget receipt report at the end of the month.
 - E. Overpayments/Under payments:
 1. Incorrect transactions should not be corrected if the administrative cost to correct the transaction exceeds state benefits.
 2. Department of Minnesota Management and Budget policy establishes the over/underpayment tolerance level at \$5.00 (short or over).
 3. Refunds should not be made where the cash receipt is less than \$5.00 over the amount due.
2. Divisions depositing with State Treasurer's Office and entering their own receipts
 - A. Hand deliver checks or cash along with bank deposit-ticket to the State Treasurer's Office.
 - B. If more than one check, include an adding machine tape with deposit.
 - C. Treasurer's Office does not require that you fill out the back of the deposit ticket.
 - D. Retain copy of bank deposit ticket.
 - E. Enter information from form FI-00515 *Cash Receipts Accounting View* or FI-00516 *Cash Receipts All Attributes View* into MAPS. See MAPS for specific input instructions. Document ID and date of input must be on form.
 - F. Retain form FI-00515 *Cash Receipts Accounting View* or FI-00516 *Cash Receipts All Attributes View*.
3. Divisions forwarding receipts to the Financial Management & Reporting (FMR) Division for deposit with the State Treasurer's Office and for entering receipts
 - A. Hand or courier deliver checks or cash to the FMR Division.
 - B. The FMR Division will follow the above stated procedures.
 - C. Verification of deposit will be forwarded to originating division.
4. Divisions depositing directly to a State Depository and entering their own receipts
 - A. Hand deliver checks or cash along with bank deposit ticket.
 - B. Retain a copy of the bank deposit ticket and the customer receipt.
 - C. Enter information from form FI-00515 *Cash Receipts Accounting View* or form FI-00516 *Cash Receipts All Attributes View* into MAPS. See MAPS for specific input instructions. Document ID and date of input must be on form.
 - D. Retain form FI-00515 *Cash Receipts Accounting View* or form FI-00516 *Cash Receipts All Attributes View*.
5. Processing overpayments - A credit balance of more than \$5.00 that is not expected to be offset by a new receivable within sixty (60) days, either:
 - A. Notify customer and offer to make a refund.
 1. If customer requests a refund, it should be refunded within one week.
 2. If customer does not request refund, a refund should be issued within six (6) months after the credit was created.

- B. Do not notify customer, simply issue a refund no later than sixty (60) days after credit was created.

PART TWO – MAPS RECEIPTS

1. Processing MAPS Receipts
 - A. Post receipts to account receivable system monthly (MAPS Advanced Receivable is done automatically).
 - B. Reconcile on a monthly basis with Information Access (IA) Warehouse reports.
 - C. Correct receipts within Admin division's.
 - D. Correct other receipts.
 - E. Overpayments/Underpayments.

2. Reconcile Receipts
 - A. Retrieve monthly receipt report from IA Warehouse.
 - B. Verify payment information is correct (i.e.: invoice number, etc.).

3. Payment received for another division
 - A. Notify division that you received payment.
 - B. Prepare a zero deposit using form FI-00515 *Cash Receipts Accounting View* or form FI-00516 *Cash Receipts All Attributes View*.
 - C. Enter information from form FI-00515 *Cash Receipts Accounting View* or form FI-00516 *Cash Receipts All Attributes View* into MAPS. See MAPS for specific input instructions. Document ID and date of input must be on form.
 - D. Retain form FI-00515 *Cash Receipts Accounting View* or FI-00516 *Cash Receipts All Attributes View*.

4. Payment received for another agency
 - A. Notify the agency that made the incorrect payment.
 - B. Advise them to process a negative PV2 transaction.

5. Processing overpayments - A credit balance more than \$5.00 that is not expected to be offset by a new receivable within sixty (60) days, a state agency should do one of the following:
 - A. For PV2 transactions, advise paying agency to process a negative PV2.
 - B. For PV6 transactions, notify customer and offer to make a refund.
 1. If customer requests refund, the agency should make the refund within one week.
 2. If customer does not request refund, a refund should be issued within six (6) months after the credit was created.
 - C. Do not notify customer, simply issue a refund no later than sixty (60) days after credit was created.

Forms:

MMB Forms:

- FI-00515, [State of Minnesota Cash Receipts Accounting View](#)
FI-00516, [State of Minnesota Cash Receipts All Attributes View](#)

See Also:

MAPS Operations Manual Policy and Procedures 0504-01, [*Processing Receipts and Crediting Accounts*](#)

MAPS Operations Manual Policy and Procedures 0602-03, [*Recording and Depositing Receipts*](#)

MAPS Operations Manual Policy and Procedures 0602-04, [*Receipt Modification Correction*](#)