

QUICK REFERENCE GUIDE

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Canceling a Payment

This Quick Reference Guide covers the cancellation process for payments. Minnesota Management & Budget (MMB) is responsible for cancelling and reissuing payments. MMB can only cancel a warrant if it is still outstanding and has not been reconciled. Payments made by Automated Clearing House (ACH) can be pulled back. However, the **entire** amount must be available to be pulled back from the account. Since payments are combined by Supplier ID, MMB may be unable to pull back a payment if the request is for a small portion of the ACH.

Cancellation

Reasons to cancel a payment may include the following scenarios:

- The wrong supplier was paid.
- The wrong amount was paid.
- The supplier is deceased.

Steps to Cancel a Warrant Payment

1. Verify the warrant is outstanding.
2. Complete a "Stop Payment" form and email it to syscomp.mmb@state.mn.us.

Steps to Cancel an ACH Payment

1. Email syscomp.mmb@state.mn.us and request for the ACH payment to be pulled back.
 - a. Make sure to provide the supplier contact name and phone number.
 - b. Complete a *Stop Payment* form and attach it in the email.
2. The cancellation will be processed in SWIFT after the funds have been returned.
3. Agencies will be notified after the cancellation is completed.

Note: All ACH payments show as *Not Reconciled* in SWIFT.

Results of Cancellation

After cancelling a payment, the following processes occur:

1. The Payment Status is set to *Canceled* and the voucher is closed.
2. Accounting entries are reversed.

Cancellation and Reissue

Reasons to cancel and reissue a payment may include the following scenarios:

- The warrant was lost.
- The warrant was damaged.
- The warrant is stale dated.

Steps to Reissue a Warrant

A reissued payment must be identical to the original payment. MMB cannot change the supplier or the amount. However, a new Warrant Number will be generated with a different payment date. To reissue a warrant, complete the following steps:

1. Verify the warrant is outstanding.
2. Complete a *Stop Payment* form and email it to syscomp.mmb@state.mn.us.
3. Mark any damaged warrants as "Void" and return them to MMB.

Warrant is lost or being mailed to a different address

If a warrant is lost or being mailed to a different address, the supplier must submit a notarized affidavit.

Results of Reissuing a Warrant

After reissuing a warrant, the following processes occur:

- The original Payment Status is set to *Canceled* and a new payment status set to *Paid*.
- The accounting entries are reversed, and new entries are created.
- The expense to the supplier is reversed and a new expense will be created.
- The same encumbrance will be used for reissued payment.

Accounting Adjustments for Refunds

If a supplier issues a check to refund an overpayment, a deposit must be made with a debit to cash and credit to Account 498999. This adjustment will reverse the 1099/expense overpayment.

To complete this transaction, the agency needs to create an AP journal entry to the Supplier ID with a debit to Account 498999 and credit the original expense. This adjustment reverses the expense to the supplier that should be reflect appropriately on the 1099 form, if applicable.

MMB automatically reissues rejected ACH payments as warrants and sends a notice of intent (NOI) letter to the agency contact.

Useful Query:

- Agencies can run the query M_AP_CANCELSTOP_BY_AGENCY to see the vouchers that have been canceled / reissued.