

QUICK REFERENCE GUIDE

November 1, 2019

Process a Returned Item for a Direct Journal

– MMB Notification

Overview

This guide covers how to process a Returned Item (returned check) for a direct journal deposit when you have been notified of the Returned Item by Minnesota Management & Budget (MMB). The process is similar to the zero dollar deposit process except that the Deposit Type is “N” for NSF instead of “C” for Cash Receipt.

Note: If you are notified of the Returned Item by your bank, rather than by MMB, you will typically follow the instructions in the [“Reverse a Direct Journal Deposit”](#) guide. Check with your supervisor to verify the process that you should use.

Returned Items can occur for various reasons:

- Non-Sufficient Funds (NSF)
- Stop Payment
- Refer to Maker
- Missing Endorsement
- Account Not Found
- Altered Fraudulent Document

When a Returned Item for a direct journal occurs and you are notified by MMB, it is placed in a Clearing Account at MMB. The agency's job is to remove it from the Clearing Account by debiting the original revenue and crediting the Clearing Account.

SWIFT STATEWIDE INTEGRATED FINANCIAL TOOLS

You'll receive an email notification similar to below from MMB:

Subject: G10 Returned Items 111914

See attached **11/19/14** Returned Items. MMB has processed the clearing account transaction(s) for these returned items. The **MMB Deposit Id Number** and **Entered Date** is located on the attached EmailReport.rtf document.

Please complete the required transaction(s) **within 5 days** of receiving the returned items e-mail, agencies must complete the returned items process.

After completing the appropriate Return Item procedure, please submit an email to (GENERALACCTG.MMB@state.mn.us) with the following information:

- Entered Date
- Business Unit (Agency)#
- Deposit ID number
- Monetary Amount (amount of the returned item)
- MMB Deposit ID# (Located on the EmailReport.rtf)

Your assistance in the Returned Items Process is GREATLY appreciated!!

One of the email attachments displays the MMB Deposit ID# and Speed Chart that you will use to clear the Clearing Account.

Returned Items

Entered Date: 11/20/2014
Returned Item Date: 11/19/2014
Total Deposit: 618.12
For Business Unit: G1001

Copies of the Returned check(s) and Notice of Returned Deposited Item(s) are attached to the email.

<i>Agcy</i>	<i>Midas Location</i>	<i>Speed Chart</i>	<i>Amount</i>	<i>MMB Deposit ID Number</i>
G1001	G10240RH	NSFCLRACCT	618.12	NSFG10141119940

Another attachment displays the date the Item was returned to the bank.

usbank					RETURNED DEPOSITED ITEMS	
Customer Service: 1-800-872-2657					Date: November 19, 2014 Advice D-104940	
NOTICE OF RETURNED DEPOSITED ITEM(S)			Acct:			
	Reason	Maker Name	Seq #	Item Amount		
	NSF		99006194	\$618.12		
STATE OF MINNESOTA STATE TREASURER'S OFFICE #10240 DO NOT MAIL TO CUSTOMER TRUNCATION REQUIRED ***** *****						
				1 Item(s) charged totaling: \$618.12		
				Advice Total: \$618.12		

Steps to complete:

- Step 1: Create a Zero Dollar Deposit with a Minimum of Two Payment Lines (one to debit the original revenue account and one to credit the Clearing Account)
- Step 2: Create Accounting Entries to Reverse the original Entries for the Returned Item
- Step 3: Create Accounting Entries to Credit the Clearing Account

Step 1: Create a Zero Dollar Deposit

The first step is to create a zero dollar deposit with a minimum of two payment lines; one reversing (debiting) the original payment and one for crediting the Clearing Account.

1. Navigate to the *Regular Deposit* search page by using one of the options below.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Receivable, Enter and Complete Payments. The Regular Deposit page will display by default.
WorkCenter	Accounting, Accounts Receivable, Receivables WorkCenter, left-menu, Links section, Enter Payments, Regular Deposit.

2. On the *Regular Deposit* page, click on the Add a **New Value** tab.
3. Accept the default of "NEXT" for the *Deposit ID* field and SWIFT will automatically assign the next number available after you save the deposit. You can also enter your own. This is a required field.
4. Click the **Add** button.

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- Complete the **Totals** tab as you would normally, making sure to use the same *Bank Code*, *Bank Account*, and *Midas Location* as the original deposit. (Refer to the [“Create a Direct Journal Deposit”](#) guide for detailed entry instructions).

The following is also required for the Returned Item zero dollar deposit:

Field Name	Field Description
*Deposit Type	Select “N” for NSF.
*Control Total Amount	Enter “0” (zero) in the <i>Control Total Amount</i> .
*Count	Enter “2” in the Count field. You must debit the original revenue account and credit the Clearing Account.
*Received	Enter the Returned Deposited Items date.

- Click on the **Payments** tab. Complete as you would normally, making sure to do the following:
- On the first payment row, enter the following:

1st Row Entry (Seq 1)	Field Description
Payment ID	Use a descriptive <i>Payment ID</i> so you can trace it, such as the returned check number or the MMB Deposit ID.
Amount	Enter a negative payment amount.
Journal Directly	Select the <i>Journal Directly</i> checkbox.

The screenshot shows the 'Payments' tab in the SWIFT interface. At the top, it displays 'Unit G1001', 'Deposit ID TRN04', and 'Date 09/06/2018'. The 'Balance' is 'Not Balanced'. The 'Payment Information' section includes:

- Payment Seq: 1
- Amount: -450.00
- Rate Type: CRRNT
- Payment Method: Check
- *Payment ID: NSF CK#7777
- Currency: USD
- Exchange Rate: 1.00000000
- *Accounting Date: 09/06/2018
- Journal Directly
- Range of References

 A red box highlights the 'Amount' field (-450.00) and the '*Payment ID' field (NSF CK#7777). A '+' button is located to the right of the '*Accounting Date' field.

- Click on the **Add a New Row (+)** button at row 1 and enter the following for the second payment:

2nd Row Entry (Seq 2)	Field Description
Payment ID	Enter the MMB Deposit ID number included in the email information so MMB can trace it.
Amount	Enter the Positive payment amount.
Journal Directly	Select the <i>Journal Directly</i> checkbox.

The screenshot shows the 'Payments' tab in the SWIFT interface. At the top, it displays 'Unit G1001', 'Deposit ID TRN04', and 'Date 09/06/2018'. The 'Balance' is now 'Balanced'. The 'Payment Information' section includes:

- Payment Seq: (blank)
- Amount: 450.00
- Rate Type: CRRNT
- Payment Method: Check
- *Payment ID: NSFG10XXXX
- Currency: USD
- Exchange Rate: 1.00000000
- *Accounting Date: 09/06/2018
- Journal Directly
- Range of References

 A red box highlights the 'Amount' field (450.00) and the '*Payment ID' field (NSFG10XXXX). A '+' button is located to the right of the '*Accounting Date' field.

- Click the **Save** button. If you accepted the default *Deposit ID* of "NEXT", a *Deposit ID* is assigned. The deposit amount and the payment amount should be balanced at zero.

Step 2: Create Accounting Entries to Reverse the Original Entries for the Returned Item

Next, you will create accounting lines that will reverse (debit) the revenue account.

- Navigate to the *Create Accounting Entries* page by using one of the options below.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Receivable, Enter and Complete Payments, left-menu, Direct Journal Payments, Create Accounting Entries.

Navigation Options	Navigation Path
WorkCenter	Accounting, Accounts Receivable, Receivables WorkCenter, left-menu, Links section, Complete Payments, Create Accounting Entries.

- When you navigate directly from the *Regular Deposit* page to the *Create Accounting Entries* page, the *Business Unit* and *Deposit ID* automatically populate on the search page. Click the **Search** button. The *Search Results* list displays the two payment lines entered on the zero dollar deposit.

Create Accounting Entries

Enter any information you have and click Search. Leave fields blank for a list of all values.

[Find an Existing Value](#)

Search Criteria

Deposit Unit =

Deposit ID begins with

Payment Sequence =

Payment ID begins with

User ID begins with

Assigned Operator ID begins with

Case Sensitive

[Search](#) [Clear](#) [Basic Search](#) [Save Search Criteria](#)

Search Results

View All 1-2 of 2

Deposit Unit	Deposit ID	Payment Sequence	Payment ID	User ID	Assigned Operator ID	Non Customer Dist Balanced	Entered Date
G1001	TRN04	1	NSF CK#7777	01159534	01159534	No Dist	09/06/2018
G1001	TRN04	2	NSFG10XXXXX	01159534	01159534	No Dist	09/06/2018

- Click on the entry for the first Payment Sequence (the reversing entry). The *Accounting Entries* page for the Payment Sequence 1 displays.
- Enter a **positive** amount on the **Payment Sequence 1** row, along with the ChartFields for the account where the payment was originally deposited.
Note: For this entry, you're working with the negative payment so you must add that to the Revenue Account to reverse the charge to the account.
- Click on the **Currency Details** tab and enter a Line Description.
- Optionally, click on the **Budget** tab and enter a *Budget Date*. The *Budget Date* defaults to the current date. You would change this date if you are directing this entry to a different budget period than what you are currently in.
- Optionally, click on the **Journal Reference Information** tab and enter additional reference information.
- Click the **Save** button.

Accounting Entries | Deposit Control

Unit G1001 Deposit ID TRN04 Payment NSF CK#7777 Seq 1

Currency Details

Amount -450.00 USD

Complete Entry Event

Budget Status

Distribution Lines

1-1 of 1 | View All

ChartFields | Currency Details | Budget | Journal Reference Information | Distribution Creation / Update Details

Distribution Sequence	*GL Unit	SpeedType Key	Line Amount	Currency	Fund	Fin DeptID	Appropriation ID (CF3)	*Account	Sub Acct	SW Cost	Agency Cost 1 (CF1)
1	MN001	G10ELDS	450.00	USD	5200	G1037610	G100086	513304			

9. Click the **Create** icon (**Lightning Bolt**) to create the cash line. The Total Debits should equal the original transaction amount and the entry is now balanced.
10. Click the **Save** button again to save the cash line before marking the deposit complete.
11. Click the **Complete** checkbox.
12. Click the **Budget Check** button. The Budget Status should read "Valid".
13. Click on the **Save** button.

Accounting Entries | Deposit Control

Unit G1001 Deposit ID TRN04 Payment NSF CK#7777 Seq 1

Currency Details

Amount -450.00 USD

Complete Entry Event

Budget Status Valid

Distribution Lines

1-2 of 2 | View All

ChartFields | Currency Details | Budget | Journal Reference Information | Distribution Creation / Update Details

Distribution Sequence	GL Unit	Line Amount	Currency	Fund	Fin DeptID	Appropriation ID (CF3)	Account	Sub Acct	SW Cost	Agency Cost 1 (CF1)	Agency Cost 2 (CF2)	PC E
1	MN001	450.00	USD	5200	G1037610	G100086	513304					
2	MN001	-450.00	USD	5200	G1037610	G100086	100001					

Total

Lines	2	Total Debits	450.00	Currency	USD	Total Credits	450.00	Currency	USD	Net	0.00
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Save | Return to Search | Previous in List | Next in List | Notify | Refresh

Step 3: Create Accounting Entries to Credit the Clearing Account

Next, you will select the second payment and create accounting lines that will credit the Clearing Account.

1. From the *Accounting Entries* page for the Payment Sequence 1 row, click on the **Next in List** button. The *Accounting Entries* page appears for the Payment Sequence 2 of the Deposit.
2. Click on the **Speed Type** button and select the Speed Type “**NSFCLRACT**” (provided by MMB).
3. Enter a **negative** amount on the Payment Sequence 2 row.
4. Click on the **Currency Details** tab and enter a Line Description.
5. Optionally, click on the **Budget** tab and enter a *Budget Date*. The *Budget Date* defaults to the current date. You would change this date if you are directing this entry to a different budget period than what you are currently in.
6. Optionally, click on the **Journal Reference Information** tab and enter additional reference information.
7. Click the **Save** button.

The screenshot shows the 'Accounting Entries' page for 'Deposit Control'. The top navigation bar includes 'Accounting Entries' and 'Deposit Control'. Below this, the 'Currency Details' section shows an amount of 450.00 USD. The 'Distribution Lines' section contains a table with the following data:

Distribution Sequence	*GL Unit	SpeedType Key	Line Amount	Currency	Fund	Fin DeptID	Appropriation ID (CF3)	*Account	Sub Acct	SW Cost	Agency Cost 1 (CF1)
1	1 MN001	NSFCLRA	-450.00	USD	1000		G9RTREA	120095			

Below the table, a 'Total' section shows: Lines 1, Total Debits 0.00, Currency USD, Total Credits 450.00, Currency USD, Net -450.00.

8. Click the **Create** icon (**Lightning Bolt**) to create the cash line.
9. Click the **Save** button again to save the cash line before marking the deposit complete.
10. Click the **Complete** checkbox.
11. Click the **Budget Check** button. The Budget Status should read “Valid”.

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Accounting Entries
Deposit Control

Unit G1001
Deposit ID TRN04
Payment NSFG10XXXXX
Seq 2

Currency Details

Amount 450.00 USD

Complete
 Budget Status Valid

Entry Event

Distribution Lines

1-2 of 2
View All

Distribution Sequence	GL Unit	Line Amount	Currency	Fund	Fin DeptID	Appropriation ID (CF3)	Account	Sub Acct	SW Cost	Agency Cost 1 (CF1)	Agency Cost 2 (CF2)	PC Bus
1	1 MN001	-450.00	USD	1000		G9RTREA	120095					
2	2 MN001	450.00	USD	1000		G9RTREA	100001					

Total

Lines	2	Total Debits	450.00	Currency	USD	Total Credits	450.00	Currency	USD	Net	0.00
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