XV Online Bank Reconciliation

The Check Writer Subsystem provides the following two features that departments can use independently of each other:

- ✪ Print batches of checks online.
- ✪ Perform the Bank Reconciliation process online.

Chapter XIV discusses the printing of checks online. This chapter describes the CALSTARS screens and reports related to the online bank reconciliation process. It also includes a brief discussion about check transactions. Exhibit XV-1 displays an overview of the bank reconciliation process within the online Check Writer Subsystem.

INTRODUCTION

Manual and automated check transactions post to the CALSTARS master files. Check transactions also post to the Check File when the Check File Indicator on the Organization Control Table/Maintenance screen (Command **I.8**) is set to **Y**. This file provides the basis for performing part of the monthly CALSTARS reconciliation of the department's General Checking Account. The Check File includes detailed information about each check transaction. If more than one transaction is posted for a check, the entries are summed and the total amount is displayed for that specific check number.

During overnight processing, Check File information is passed to the online Check File. The Command **A.2** - Check Reconciliation and the Command **A.3** - Add Outstanding Checks screens are used for performing the online bank reconciliation, which are available through the following screen.

```
  9990 A: Check Issuance and Processing                  12-12-2008 09:41 AM


                  CODE        AVAILABLE OPTIONS

                   1        Check Writer =>
                   2        Check Reconciliation =>
                   3        Add Outstanding Checks




          Code: __

  Command:
  Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
        Help  Retrn Quit                                              Main

```
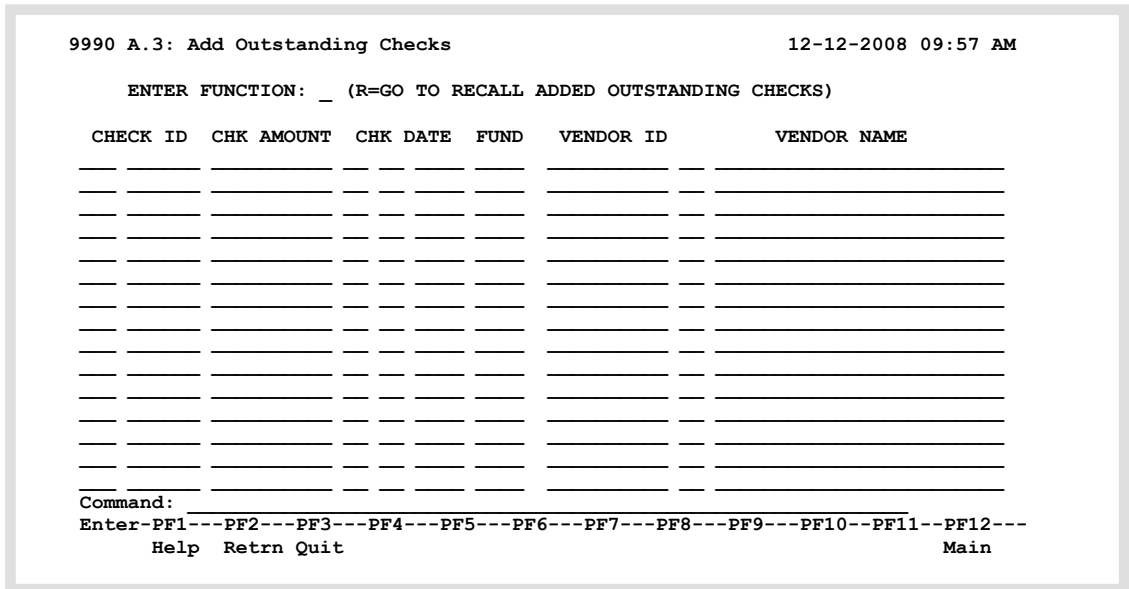
ADD OUTSTANDING CHECKS SCREEN

When a department decides to use the online checking account reconciliation for the first time, any outstanding checks from the last bank reconciliation must be individually posted to CALSTARS using Command **A.3** - Add Outstanding Checks.
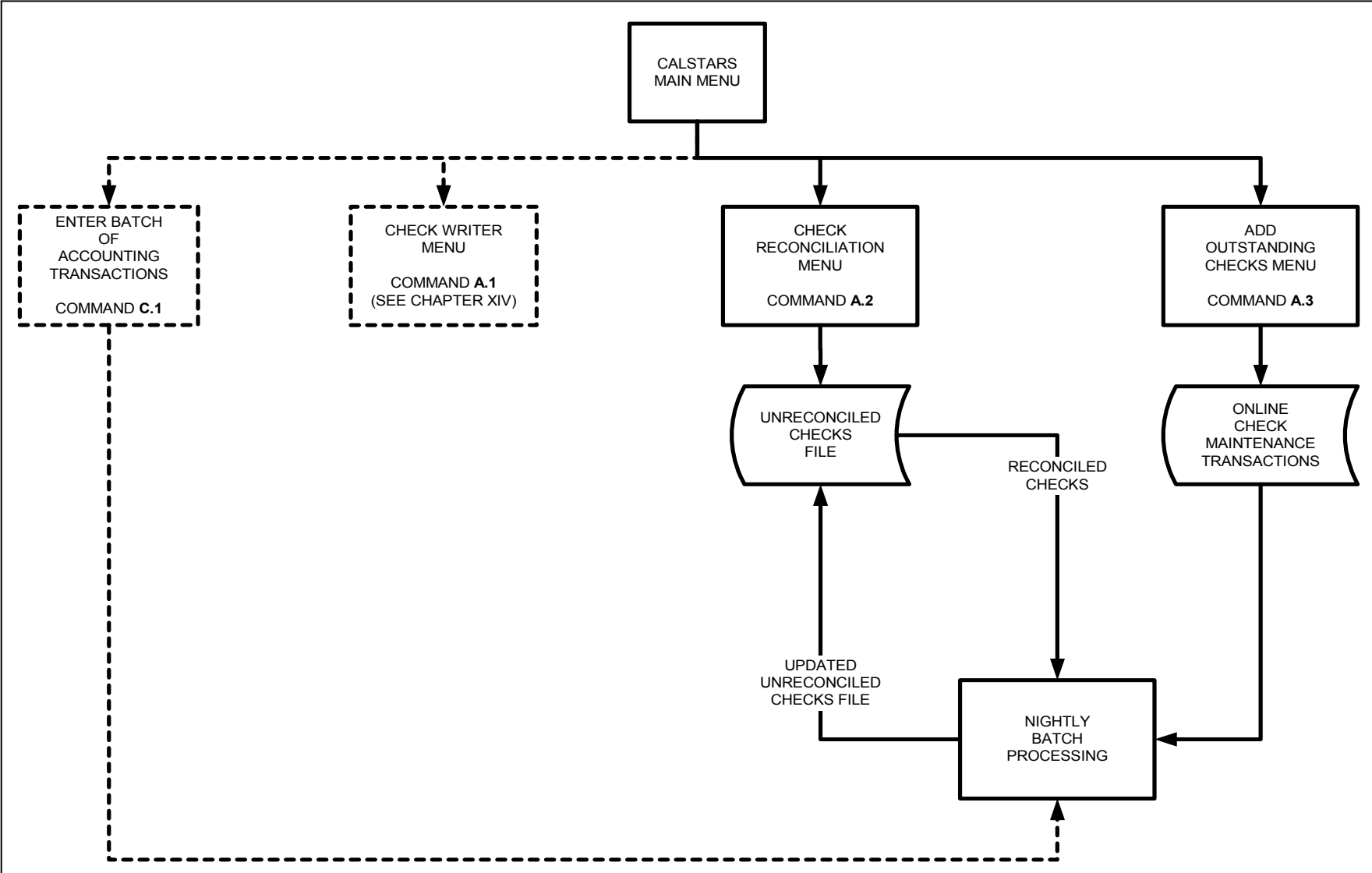
An example of the screen is shown below.

```
 9990 A.3: Add Outstanding Checks                        12-12-2008 09:57 AM

    ENTER FUNCTION: _  (R=GO TO RECALL ADDED OUTSTANDING CHECKS)

  CHECK ID   CHK AMOUNT   CHK DATE   FUND    VENDOR ID         VENDOR NAME
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
  __ _____  _____  __ __ ____  ____  _____  __  _____
 Command: _____
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
       Help  Retrn Quit                                                  Main
```

The Add Outstanding Checks form (CALSTARS 76, displayed in Exhibit XV-2) is available on the Internet at http://www.dof.ca.gov/html/calstars/forms.htm.

The following fields are included on the Add Outstanding Checks screen:

Check ID - The 9-digit check number.

Check Amount - The dollar amount of the check if it is from one fund. Do not use a decimal or commas. The two right positions denote cents. If the check was disbursed from more than one fund, make an entry for the amount applicable to each fund.

Date - Date of the check (*MMDDYYYY*).

Fund - 4-digit fund code from which the check was disbursed.

Vendor ID – The 12-digit, alphanumeric Vendor Number of the payee.

Vendor Name - the name of the payee. Enter only if the Vendor Number is not entered.

EXHIBIT XV-1
ONLINE BANK RECONCILIATION PROCESS

EXHIBIT XV-2

CALSTARS 76
(Revised 04-09)

ADD OUTSTANDING CHECKS

ORG: _____

PREPARED BY: _____   DATE: _____   ENTERED BY: _____   DATE: _____

CHECK NUMBER	AMOUNT	DATE M M D D Y Y Y Y	FUND	VENDOR ID	SFX	VENDOR NAME

Check records entered on the **A.3** Add Outstanding Checks screen are edited for reasonableness, such as a valid check date. Transactions added per the **A.3** screen which successfully pass edit verification will post directly to the Check File and will not post to other CALSTARS master files. These transactions display on the prior month and current month outstanding check report. The transactions update the Check File after the accounting/check transactions post to the Check File.

Check records are also entered directly to the Check File through the **A.3** Add Outstanding Checks screen (without an accounting transaction) for the following reasons:

   ✪ The Check File does not contain all the check activity for the department.

   ✪ A correction to a check transaction is required, but the check was removed from the Check File.

   ✪ A check was erroneously reconciled and removed from the Check File.

To add a check record, key the appropriate information and press **Enter**. Do not key anything in the Function field at the top of the screen when adding check records. A confirmation message is displayed at the bottom of the screen when **Enter** is pressed if the maintenance transaction passes the online edits.

If a check transaction is entered and the check number already exists in the Check File, the check amount is **increased** (not replaced) by the new check transaction amount.

Checks added during the day may be recalled by entering Function **R** on the Add Outstanding Checks screen. When **Enter** is pressed, the Recall Added Outstanding Checks screen displays as shown below.

```
   9990 Recall Added Outstanding Checks                    12-12-2008 10:14 AM

                  FUNCTION: _  (A=GO TO ADD OUTSTANDING CHECKS)

     C/D CHECK ID  CHK AMOUNT  DATE     FUND  VENDOR ID    VENDOR NAME
      _  999-100000 00000000100 08202008 0001 000000099900 JOHN DOE







     Command: _____
     Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
          Help  Retrn Quit                    Bkwrd Frwrd                   Main
     052-THERE ARE NO REMAINING RECORDS FOR YOUR ORG
```

The Recall Added Outstanding Checks screen displays all check entries made during that day. If errors are found in a record, they may be corrected as follows:

✪ If the Check Number or Fund is incorrect, the record must be deleted. To delete the record, key a **D** in the 'C/D' column to the left of the desired record and press **Enter**.

✪ If the Check Number and Fund are correct, but another field is incorrect, key a **C** in the 'C/D' column. Tab over to the field to be corrected, key in the correct information, and press **Enter**.

✪ If a check record was erroneously added, key a **D** in the 'C/D' column and press **Enter** to delete the record.

CHECK RECONCILIATION SCREENS

The four screens used for the bank reconciliation process are described below. The bank reconciliation procedures follow the description of the screens.

1: View Unreconciled Checks Screen

When the View Unreconciled Checks screen is selected, a pop-up screen is displayed as shown below.

```
 9990 A.2: Check Reconciliation                        12-12-2008 01:37 PM


                 CODE        AVAILABLE OPTIONS

                  1      View Unreconciled Checks
                  2      View Checks Reconciled Today
                  3      Perform Bank Reconciliation
                  4      Display Check File Balances


      OPTIONAL         STARTING CHECK NUMBER: ___ - _____



            Code: 1

 Command: _____
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
       Help  Retrn Quit                                                    Main
```

If a starting check number is entered on the pop-up screen, the record for that check number or the next sequential check number is displayed on the View Unreconciled Checks screen. An example of the screen is displayed below.

```
   9990 A.2.1: View Unreconciled Checks                     12-12-2008 01:30 PM

       ENTER FUNCTION: _  (2=GO TO VIEW CHECKS RECONCILED TODAY)

    CHECK NUM  CHK DATE   FUND    VENDOR ID    VENDOR NAME           CHECK AMOUNT

    100-000000 10/20/2008 0998 A300000051-00 SACRAMENTO COUNTY          110.00
    100-000001 10/25/2008 0998 A400000019-00 BUTTE COUNTY                15.00
    100-000002 10/25/2008 0998 A500000004-00 KERN COUNTY                 20.00
    100-000003 10/25/2008 0998 A500000012-04 JOHN DOE                    25.00






    Command: _____
    Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
         Help  Retrn Quit                    Bkwrd Frwrd                    Main
```

Checks listed on the View Unreconciled Checks screen are outstanding and have not cleared the department's bank account or have not been reconciled off the screen. Once a check has cleared the bank as part of the monthly check reconciliation process, the check is no longer listed on this screen.

The screen displays the following information for each record.

Check Number - 9-digit check number from the transaction(s).

Check Date - The date of the check from the Due Date field.

Fund – The 4-digit fund code from which the check was disbursed.

Vendor ID - The 12-digit Vendor Number, if entered, from the transaction.

Vendor Name - The name as derived from the Vendor Edit Table or as keyed on the transaction.

Check Amount - The sum of all accounting entries posted to CALSTARS for the check number.

2: View Checks Reconciled Today Screen

When the View Checks Reconciled Today screen is selected, the optional Starting Check Number pop-up screen is displayed. If a starting check number is entered on the pop-up screen, the record for that check number or the next sequential check

number is displayed on the View Checks Reconciled Today screen. An example of the screen is displayed below.

```
   9990 A.2.2: View Checks Reconcilied Today              12-12-2008 02:20 PM


       ENTER FUNCTION: _  (1=GO TO VIEW UNRECONCILED CHECKS)


   CHECK NUM  CHK DATE   STMT DATE    VENDOR ID     VENDOR NAME      CHECK AMOUNT
   011 092590 08/20/2008 09/30/2008 1111111111-00   STATE CONTROLLER     1,265.00
   011 092592 08/20/2008 09/30/2008 2222222222-00   CENTRAL OFFICE         654.81
   012 006360 08/22/2008 09/30/2008 3333333333-00   JOHN DOE               230.00





   Command: _____
   Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
        Help  Retrn Quit                        Bkwrd Frwrd              Main
```

NOTE: If an optional starting check number is entered on the pop-up screen, the list is limited to the check number entered and the subsequent records.

3: Perform Bank Reconciliation Screen

When the Perform Bank Reconciliation screen is selected, a pop-up screen is displayed as shown below.

```
   9990 A.2: Check Reconciliation                         12-12-2008 03:02 PM


              CODE      AVAILABLE OPTIONS

               1      View Unreconciled Checks
               2      View Checks Reconciled Today
               3      Perform Bank Reconciliation
               4      Display Check File Balances


    +------------------------------------------------------------------+
    |   REQUIRED        STATEMENT ENDING DATE: MM / DD / YYYY          |
    |                                                                  |
    |   OPTIONAL        STARTING CHECK NUMBER: ___ - _____             |
    |                                                                  |
    |   OPTIONAL        ACCOUNT NUMBER PROCESSING BASED UPON           |
    |                   FIRST THREE CHARACTERS OF CHECK NUMBER: _ (Y=YES)|
    +------------------------------------------------------------------+

   Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
        Help  Retrn Quit                                               Main
```

The Statement Ending Date (MM/DD/YYYY) must be keyed to identify the month being reconciled. The Starting Check Number and Account Number Processing Indicator (**Y**-Yes or **Blank**) fields are optional. However, if a department has more than one bank account, a **Y** must be entered in the Account Number Processing Indicator field. A separate reconciliation must be performed for each account. The first 3 digits of the check number is the bank account number.

When the appropriate information is keyed and **Enter** is pressed, the Perform Bank Reconciliation screen is displayed as shown below.

```
 9990 A.2.3: Perform Bank Reconciliation                   12-15-2008 08:03 AM

                             STATEMENT DATE: 10/30/2008
        ENTER FUNCTION: _  (2=GO TO VIEW CHECKS RECONCILED TODAY,
                           4=GO TO DISPLAY CHECK FILE BALANCES)

            TRANS                                 CHECK      OVERRIDE
            TYPE      CHECK NUM      CHECK AMOUNT   DATE        DATE
              U      100-000000           110.00  10/20/2008  __ __ ____
              U      100-000001            15.00  10/25/2008  __ __ ____
              U      100-000002            20.00  10/25/2008  __ __ ____
              U      100-000003            25.00  10/25/2008  __ __ ____




        Command: _____
        Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
             Help  Retrn Quit                   Bkwrd Frwrd               Main
```

If a starting check number is entered on the pop-up screen, the record for that check number or the next sequential check number is displayed on the screen.

The Perform Bank Reconciliation screen includes the following information:

Statement Date - Date (MMDDYYYY) as entered on the pop-up window. This date is assigned to all reconciled check records unless the Override Date is entered.

Transaction Type – Specifies the status of the check. The values are:
U-Unreconciled
R-Reconciled.

Check Number - 9-digit check number from the transaction(s).

Check Amount - The sum of all accounting entries posted to CALSTARS for the check number.

Check Date -The date of the check from the Due Date field.

Override Date - Allows the entry of a statement date that is different from the statement date shown at the top of the screen. This field is used only when two or more bank statements are being reconciled at the same time.

NOTE: The bank reconciliation should be performed timely. However, if the bank reconciliation is not performed timely, each month should be reconciled separately. The oldest month's reconciliation should be performed before proceeding to the next month.

With the exception of the Override Date field, the information included on the Perform Bank Reconciliation screen is also included on the View Unreconciled Checks screen.

4: Display Check File Balances Screen

When the Display Check File Balances screen is selected, a pop-up screen is displayed as shown below.

```
 9990 A.2: Check Reconciliation                          12-15-2008 10:54 AM


              CODE        AVAILABLE OPTIONS

               1       View Unreconciled Checks
               2       View Checks Reconciled Today
               3       Perform Bank Reconciliation
               4       Display Check File Balances


   ┌─────────────────────────────────────────────────────────────────┐
   │                                                                   │
   │   REQUIRED       STATEMENT ENDING DATE: MM / DD / YYYY            │
   │                                                                   │
   └─────────────────────────────────────────────────────────────────┘


         Code: 4

 Command: _____
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
       Help  Retrn Quit                                               Main
```

The Statement Ending Date (MM/DD/YYYY) must be keyed to identify the period being reconciled. When the Statement Ending Date is keyed and **Enter** is pressed, the Display Check File Balances screen is displayed as shown below.

```
 9990 A.2.4: Display Check File Balances                 12-15-2008 11:43 AM

      ENTER FUNCTION: _  (2=GO TO VIEW CHECKS RECONCILED TODAY,
                          3=GO TO PERFORM BANK RECONCILIATION)

 RECONCILIATION TOTAL FOR BEGINNING CHECK NO 999-999999 & ENDING ON 11/30/2008

 ACC  <-BEG BAL UNRECON CKS->  <--LESS RECON CHECKS-->  <-END BAL UNRECON CKS->
 NUM            AMOUNT COUNT              AMOUNT COUNT             AMOUNT COUNT

 100            200.00    4               25.00     1             175.00    3
 200            500.00    1              500.00     1               0.00    0
 TOT            700.00    5              525.00     2             175.00    3







      Command: _____
      Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
           Help  Retrn Quit                    Bkwrd Frwrd                   Main
```

The Display Check File Balances screen displays the outstanding Check File balances required for the completion of the bank reconciliation. All records with check dates that are blank, equal to, or less than the statement date are included in the totals.

The Display Check File Balances screen provides the following information for each account number and the entire Check File:

Account Number (ACC NUM) - The bank account number (first three characters of the check number) or 'TOT' for the total of the department's Check File.

Beginning Balance Of Unreconciled Checks - The dollar amount of all checks in the Check File with a check date that is blank, equal to, or less than the statement date. The check count is also displayed.

Less Reconciled checks - The amount of all checks that were marked as reconciled from Command **A.2.3** - Perform Bank Reconciliation screen. This amount should equal the total of the upper section ('Check Listing Account Number') of the bank statement. The check count is also displayed.

Ending Balance Of Unreconciled Checks – The beginning balance of the unreconciled checks less the total of reconciled checks. The check count is also displayed.

BANK ACCOUNT RECONCILIATION PROCEDURES

When the monthly Centralized Treasury Trust System Account statement (bank statement) is received from the State Controller's Office (SCO), the bank reconciliation may be prepared. The reconciliation is prepared by completing the General Checking Account Reconciliation (CALSTARS Form 72). The reconciliation form is displayed in Exhibit XV-3. The form is also available on the Internet at http://www.dof.ca.gov/html/calstars/forms.htm.

The reconciliation process verifies that the SCO's adjusted checking account balance agrees to the CALSTARS adjusted general ledger cash balances. The SCO balance is adjusted for timing differences, such as deposits in transit, outstanding checks, and other reconciling items. The CALSTARS balance is adjusted for erroneous or untimely entries.

CALSTARS Reports Required For Bank Reconciliation

Request the following CALSTARS Standard reports as part of the monthly report request process:

G01 - Trial Balance of General Ledger Accounts – Prior Month (**PM**) with the month (**M)** Period option.

H06 - Cash Receipts and Disbursements Register – Prior Month (**PM**).

> **NOTE:**   If **1** is selected for I (Index) level of detail, the sum of the entries for each check is displayed. If **2** is selected, the sum of the entries for each deposit is displayed. Refer to Volume 6, Chapter III-H, Exhibit III-H06 for detailed information.

K01 - Outstanding Check Report - Prior Month (**PM**) or for the fiscal month that corresponds with the month being reconciled

General Checking Account Reconciliation Form

The General Checking Account Reconciliation form (CALSTARS Form 72) is available on the Internet at http://www.dof.ca.gov/html/calstars/forms.htm. Complete the reconciliation form by performing the steps below. Refer to Exhibit XV-3 for step by step illustrations.

1. Enter the date of the prior month's reconciliation in the heading of the Beginning Balance column **A**. Enter the date of the current month's reconciliation in the heading of the Ending Balance column **D**.

2. Copy all amounts from the prior month's Ending Balance column **D**, to the corresponding lines of the Beginning Balance column **A**.

3. Enter the amounts from the monthly bank statement to the reconciliation form as follows:

    a) Enter the amount of 'Deposited in Treasury This Period' on line (**1**) Per Bank Statement in the Receipts column **B**.

    b) Enter the amount of 'Checks Paid This Period' on line (**1**) Per Bank Statement in the Disbursements column **C**.

    c) Enter the amount of 'New Balance' on line (**1**) Per Bank Statement in the Ending Balance column **D**.

4. Verify that the 'Balance Forward' amount on the bank statement equals the amount entered in Beginning Balance column **A** during Step 2 above.

Reconciliation of Deposits

5. Compare the deposit slips for the reconciliation month to the deposits listed in the 'Deposit Listing Account No. nnn' section of the bank statement. Create a subsidiary listing of all deposits for the reconciliation period that are not included on the bank statement. The listing should include the deposit number, deposit date, and the deposit total. The total amount of the listing represents Deposits in Transit for the month. Print the listing as supporting documentation for the bank reconciliation.

6. Enter the total of the Deposits in Transit as a positive amount in the Receipts column **B**.

7. Compare the total of each Deposit Number on the H06 Report to the deposits listed in the 'Deposit Listing Account No. nnn' section of the bank statement. Note any differences in section (**4**) Bank Reconciling Items or section (**7**) CALSTARS Reconciling Items. Refer to the Reconciling Items section in this chapter for detailed information.

8. Enter the Deposits in Transit amount from the prior month as a negative amount in section (**2**) Deposits in Transit, in the Receipts column **B**. The amount is a positive amount on last month's bank statement. Deposits in Transit from the prior month typically post on the bank statement the following month. If not, further research is required and the amount should be noted in the reconciling item in section (**4**) Bank Reconciling Items. Refer to the Reconciling Items section in this chapter for detailed information.

Reconciliation of Checks

The CALSTARS portion of the online bank reconciliation process for checks must be completed before Step 9 may be completed. The online bank reconciliation process for checks described below may be used if the OC Table Check File Indicator is set to **Y**. If the indicator is set to **N**, use the manual method described in the following section.

Online Bank Reconciliation Process for Checks

Follow the steps below to complete the online process:

a) Select Command **A.2.3** - Perform Bank Reconciliation screen. Enter the statement ending date as shown on the Centralized Treasury Trust System Account statement (monthly bank statement). Refer to page 9 if more than one checking account.

b) Enter **R** in the Function field to the left of the check number to reconcile each check listed in the 'Check Listing Account No. nnn' section on the monthly bank statement. When **Enter** is pressed, the status of the check changes from Unreconciled (outstanding) to Reconciled. If appropriate, enter an Override Date. Before selecting **F8** to view additional checks, press **Enter**. If **Enter** is not pressed before selecting **F8**, the maintenance performed on the previous screen is lost.

    CALSTARS deletes reconciled check records from the outstanding check file during nightly processing after accounting/check transactions post to the Check File.

c) Select Command **A.2.2** - View Checks Reconciled Today screen to verify that all disbursements (checks) on the bank statement have been reconciled. Print the **A.2.2** screen. If not, note the amount as a reconciling item in section (**4**) Bank Reconciling Items or section (**7**) CALSTARS Reconciling Items on the bank reconciliation form.

    NOTE: Steps a through c must be performed on the same day.

d) Select Command **A.2.4** - Display Check File Balances screen. Print the **A.2.4** screen. The total of the checks reconciled should equal the total of the checks paid in the disbursements section of the bank statement. The amount of the Ending Balance of Unreconciled Checks should equal the total of outstanding checks on the K01 Report **after** overnight processing.

e) Request the K01 Report - Prior Month (PM) or for the fiscal month that corresponds with the month being reconciled. If the K01 Report is requested the same day that steps **a** – **c** above were performed, the report must be requested as an overnight report (not **N** or **F** Output Destination). The K01 Report is kept with the bank reconciliation as supporting documentation for the outstanding checks amount. This K01 Report may also be compared to the K01 Report requested as part of the monthly report request process to identify any changes.

Optional Manual Reconciliation Process for Checks

Follow the steps below to complete the manual process:

a) Compare each check amount on the H06 Report to the check amount listed in the 'Check Listing Account No. nnn' section of the bank statement. Any amount that is posted on the bank statement, but is not posted on the H06 Report or is posted for an incorrect amount, represents a CALSTARS reconciling item. (Refer to Exhibit XV-3 and Exhibit XV-4, Step **9**.) In the exhibits the check is posted on the bank statement, but is not posted to the H06 Report.

b) Compare the amount of each check foil to the check amount listed in the 'Check Listing Account No. nnn' section of the bank statement. Amounts not included on the bank statement represent Outstanding Checks.

After the completion of either the online or manual check reconciliation process, finish completing the General Checking Account Reconciliation form by following the steps below:

9. Enter the total amount of Outstanding (unreconciled) Checks as a negative amount in the Disbursements column **C**. This amount should equal the 'Total Amount of Outstanding Checks By Account Number' on the K01 Report.

10. Enter the total of the Outstanding Checks from the prior month as a positive amount in the Disbursements column **C**.

11. Copy the amount of the total receipts, total disbursements and the Ending Balance per fund from the G01 Report (M Period option) to the bank reconciliation form in section (**6**) columns **B**, **C** and **D** respectively. Enter the debit as a positive and the credit as a negative.

12. Sum each row (Columns **A** thru **C**) and enter the total in the Ending Balance column **D**.

13. Sum the columns in the Controller's (upper) section of the reconciliation and enter the totals on line (**5**) Adjusted Balance. Sum the columns in the CALSTARS' (lower) section of the reconciliation and enter the totals on line (**8**) Adjusted CALSTARS Balance.

The total amounts on line (**5**) Adjusted Bank Balance should agree with corresponding columns total amounts on line (**8**) Adjusted CALSTARS Balance. Any remaining differences must be identified and noted in either section (**4**) Bank Reconciling Items or section (**7**) CALSTARS Reconciling Items. Refer to the next section for detailed information.

Reconciling Items

Reconciling items are either bank reconciling items or CALSTARS reconciling items. Examples of both are described below.

Bank Reconciling Items

Amounts posted erroneously on your agency's bank statement represent reconciling items to the bank. These errors are identified in section (**4**) Bank Reconciling Items.

An example of a reconciling item to the bank is displayed in Exhibit XV-3 and Exhibit XV-4, Step 14. In this situation, Check Number 00088936 for $100.00 was posted erroneously to Account 244, but was not issued from that account. The reconciling amount is entered in the Disbursement column as a positive amount to offset the negative $9,480.49 (total checks paid).

If a deposit is posted to the wrong account, the amount is entered in the Receipts column as a negative to offset the total receipts amount.

Notification must be sent to State Treasurer's Office for reconciling items to the bank. Refer to Exhibit XV-9 for detailed instructions regarding notification instructions.

CALSTARS Reconciling Items

Amounts not posted to CALSTARS timely or posted erroneously represent reconciling items to CALSTARS. These errors are identified in section (**7**) CALSTARS Reconciling Items.

An example of a reconciling item to CALSTARS is displayed in Exhibit XV-3 and Exhibit XV-4, Step 15. In this situation, check number 244-000187 was not posted to CALSTARS until the following fiscal month. The reconciling amount is entered in the Disbursements column as a negative amount to increase the total credit (negative) amount.

If a check is not posted to CALSTARS timely or is posted for a lesser amount than the check amount, the amount is entered as a negative. If a check is posted for a higher amount than the check amount, the amount is entered as a positive amount.

If a deposit is not posted to CALSTARS timely or is posted for a lesser amount than the deposit, the amount is entered in the Receipts column as a positive amount to increase the cash balance. If a deposit is posted for a higher amount than the deposit amount, the amount is entered as a negative amount to decrease the cash balance.

Some differences in the Receipts and Disbursements columns typically result from the following entries:

✪ Credit entries that represent a reversal of the original entry for Uncleared Collections.

✪ Credit entries that represent a reclassification of Uncleared Collections to the correct nominal account.

✪ Credit entries for Cash Shortages.

✪ Credit entries for some dishonored checks.

✪ Credit entries for Year End adjustments.

✪ Debit entries for cash overages.

EXHIBIT XV-3

CALSTARS 72 (REV 7/94)

GENERAL CHECKING ACCOUNT-RECONCILIATION

ORG CODE: 9990 **ACCOUNT NUMBER:** 244 - _____ **STATEMENT DATE:** 12/31/2008

Step 2
Step 3a
Step 3b
Step 10
Step 1
Step 4
Step 8
Step 3c
Step 12 Total by row of **Columns A+B+C**
Step 6 (=subsidiary listing total)
Step 9 (=K01 Report by Account Number total)
Step 10
Step 14
Step 13
Step 11
Step 15

	A Beg Balance as of MM/DD/YYYY	B Receipts	C Disbursements	D End Balance as of MM/DD/YYYY
(1) Per Bank Statement	87,393.17	12,270.70	(9,480.49)	90,183.38
(2) Deposits in Transit:				
8/31/2008	4,776.75	(4,776.75)		0.00
9/30/2008		1,000.00		1,000.00
(3) Outstanding Checks:				
8/31/2008	(233.54)		233.54	0.00
9/30/2008			(725.00)	(725.00)
(4) Bank Reconciling Items:				
Check 0088354 not our agency check			100.00	100.00
(5) Adjusted Bank Balance	91,936.38	8,493.95	(9,871.95)	90,558.38
(6) Per CALSTARS G01 Trial Bal				
General Cash (GL 1110):				
General Fund (0001)	55,736.58	7,158.95	(4,554.95)	58,340.58
ORF Cash (GL 1130)	36,199.80	1,335.00	(3,813.00)	33,721.80
Agency Trust Cash (GL 1120)				
(7) CALSTARS Reconciling Items:				
Check #244-000187 posted FM04, B#100,	0.00	0.00	(1,504.00)	(1,504.00)
(8) Adjusted CALSTARS Balance	91,936.38	8,493.95	(9,871.95)	90,558.38

Prepared By: _____ Date: _____ Reviewed by: : _____ Date: _____

EXHIBIT XV-4

CENTRALIZED TREASURY TRUST SYSTEM ACCOUNT STATEMENT   2008   PAGE 1

SECTION 16305 - 16305.8 GOVERNMENT CODE

CONTROLLER OF CALIFORNIA
DIVISION OF ACCOUNTING AND REPORTING

PERIOD ENDING 12-31-2008   **Step 1**

ACCOUNT NO. 244`

        MAIL CODE: 9990

        GENERAL CHECKING/REV FUND
        DEPARTMENT OF AIR QUALITY

    BALANCE FORWARD   DEPOSITED IN TREASURY THIS PERIOD   CHECKS PAID THIS PERIOD   NEW BALANCE

    $87,393.17   **Step 4** $12,270.70 $9,480.49- $90,183.38

                                    Step 3a   **Step 3b**   **Step 3c**

    CHECK LISTING ACCOUNT NO. 244
        CHECK   CHECK   CHECK
MO DY NUMBER   EXPL.   AMOUNT   MO DY NUMBER   EXPL.   AMOUNT   MO DY NUMBER   EXPL.   AMOUNT
12 01 00000180 $233.54-   12 05 00000181 $99.95-   12 06 00000182 $829.44-
12 06 00000183 $4,651.00-   12 08 00000184 $200.00-   12 12 00000187 $1,504.00-
12 14 00088354 $100.00-   12 10 00R00063 $750.00-   12 23 00R00064 $1,112.56-

                                                        TOTAL CHECKS   COUNT   9 AMOUNT $9,480.49-

    Step 14

    Step 15

    DEPOSIT LISTING ACCOUNT NO. 244
        OFFICE   OFFICE   OFFICE
MO DY NUMBER   EXPL.   AMOUNT   MO DY NUMBER   EXPL.   AMOUNT   MO DY NUMBER   EXPL.   AMOUNT
12 01   1244000025 $4,776.75   12 05   1244000026 $2,548.00   12 10   1244000027 $2,786.95
12 17   1244000028 $115.00   12 23   1244000029 $1,044.00   12 30   1244000030 $1,000.00

                                                        TOTAL DEPOSITS   COUNT   6 AMOUNT $12,270.70

EXHIBIT XV-5

```
CSTARH06 9990 (DEST: D1 FIL1) PM, ,2,0,0,2,     ,    ,    ,         ,          ,       ,        ********** RUN:01/15/09 TIME:18.36
FISCAL MONTH:  06  DECEMBER        2(LCDEP)***************** 2(BYFDT ) FUND(ALL )*********
                                        DEPARTMENT OF AIR QUALITY
                                    CASH RECEIPTS & DISBURSEMENTS REGISTER
                                           AS OF 12/31/08
************************************************************************************************************************** PAGE    4
FUND:   0001    GENERAL FUND
FUND DTL:
**************************************************************************************************************************
LOC DEPOSIT OR                    --TRANSACTION ID- DOC DATE
    CHECK-NBR CUR-DOC-SF REF-DOC-SF  DATE TP NO SEQ D MM-DD-YY TC R FFY GL  VENDOR-NBR SF     VENDOR NAME                   AMOUNT
--- ---------- ---------- ---------- ----------------- -------- ---- -- ---- ---------- -- ------------------------ ---------------

124 4000000028 04201103   DFR0050807 08122202159000080 12-22-08 102   08 8100                OFFICE OF TRAFFIC SAFETY        20.00
124 4000000028 04201103   DFR0050808 08122202159000090 12-22-08 102   08 8100                OFFICE OF TRAFFIC SAFETY        25.00
124 4000000028 04186217   DFR0390107 08122202159000110 12-22-08 115   07 1400                DEPT OF PARKS & RECREATI        10.00
124 4000000028 04186217   DFR0390108 08122202159000120 12-22-08 115   07 1400                DEPT OF PARKS & RECREATI        15.00
124 4000000028 04211095   DFR0390109 08122202159000060 12-22-08 115   07 1400                DEPT OF PARKS & RECREATI        30.00
124 4000000028 04203034   DFR0710309 08122202159000070 12-22-08 115   08 1400                CA STATE LIBRARY                10.00
124 4000000028 04210244   DFR0820410 08122202159000050 12-22-08 115   08 1400                STATE ENERGY RESOURCES C         5.00
                                                               ****** TOTAL LOC DEPOSIT      124 4000000028          115.00

124 4000000029 04215524   #095932708 08122902164000070 12-23-08 102   08 8100                STATE PERSONNEL BOARD           44.00
124 4000000029 04220258   DFR0710310 08122902164000050 12-23-08 115   08 1400                CA STATE LIBRARY               100.00
124 4000000029 04228091   DFR1680709 08122902164000030 12-23-08 115   08 1400                AIR RESOURCES BOARD            300.00
124 4000000029 04226317   DFR1850809 08122902164000010 12-23-08 115   08 1400                AIR RESOURCES BOARD            200.00
124 4000000029 04226317   DFR1850810 08122902164000020 12-23-08 115   08 1400                AIR RESOURCES BOARD            100.00
124 4000000029 04206172   DFR1870710 08122902164000040 12-23-08 115   08 1400                CA ENERGY COMMISSION           100.00
124 4000000029 04138367   INV#1137   08122902164000060 12-23-08 102   08 8100                STATE PERSONNEL BOARD          200.00
                                                               ****** TOTAL LOC DEPOSIT      124 4000000029        1,044.00

124 4000000030 04144488   DFR1060508 08121202153000130 12-10-08 115   08 1400                CA PUBLIC UTILITIES COMM       100.00
124 4000000030 04144644   DFR1060509 08121202153000080 12-10-08 115   08 1400                CA PUBLIC UTILITIES COMM        75.00
124 4000000030 04144487   DFR1060509 08121202153000090 12-10-08 115   08 1400                CA PUBLIC UTILITIES COMM       225.00
124 4000000030 04144643   DFR1060509 08121202153000100 12-10-08 115   08 1400                CA PUBLIC UTILITIES COMM        49.25
124 4000000030 04144488   DFR1060509 08121202153000110 12-10-08 115   08 1400                CA PUBLIC UTILITIES COMM        49.75
124 4000000030 04144488   DFR1060509 08121202153000140 12-10-08 115   08 1400                CA PUBLIC UTILITIES COMM       200.00
                                                               ****** TOTAL LOC DEPOSIT      124 4000000030        1,000.00

***** TOTAL RECEIPTS       ****************************************************************************       8,493.95
```

┌─────────────────────────────────┐
│ **= Deposits In Transit**   │
│ **Refer to Exhibit XV-3, Step 6** │
└─────────────────────────────────┘

EXHIBIT XV-5 (Continued)

```
CSTARH06 9990 (DEST: D1 FIL1) PM, ,1,0,0,2,    ,     ,     ,     ,        ,          ,        ,        ********** RUN:01/15/09 TIME:18.36
FISCAL MONTH:  06  DECEMBER        1(TOTAL)****************** 2(BYFDT ) FUND(ALL )*********
                                          DEPARTMENT OF AIR QUALITY
                                      CASH RECEIPTS & DISBURSEMENTS REGISTER
                                                 AS OF 12/31/08
**********************************************************************************************************  PAGE   6
FUND:   0001    GENERAL FUND
FUND DTL:
**********************************************************************************************************
LOC DEPOSIT OR                          --TRANSACTION ID- DOC DATE
    CHECK-NBR CUR-DOC-SF REF-DOC-SF  DATE TP NO SEQ D MM-DD-YY TC R FFY GL  VENDOR-NBR SF     VENDOR NAME                 AMOUNT
--- ---------- ---------- ---------- ----------------- -------- ---- -- ---- ---------- -- ----------------------- ---------------
    244-000184 REFUND0001 DP011641   09010706059000010 12-10-08 290  07 9000 9999999999 00 JANE DOE                    200.00-
                                                              ** TOTAL CHECK NUMBER 244000184                         200.00-

    244-000185 REFUND0002 CELL-USE   09010706052000010 12-10-08 290  08 9000 9999999999 00 JOHN DOE                    350.00-
                                                              ** TOTAL CHECK NUMBER 244000185                         350.00-

    244-000186 NOV PARKNG 0098745800 09010706055000010 12-12-08 438  08 3730                  CENTRAL PARKING          375.00-
                                                              ** TOTAL CHECK NUMBER 244000186                         375.00-

    244-R00063 R00063                08121502155000010 12-10-08 124  08 1115                  PUC                      250.00-
    244-R00063 R00063                08121502155000030 12-10-08 124  08 1115                  PUC                      200.00-
    244-R00063 R00063                08121502155000050 12-10-08 124  07 1115                  PUC                      300.00-
                                                              ** TOTAL CHECK NUMBER 244R00063                         750.00-

    244-R00064 R00064                08122902163000010 12-23-08 124  08 1115                  GF-REIMB               1,112.56-
                                                              ** TOTAL CHECK NUMBER 244R00064                       1,112.56-


***** TOTAL DISBURSEMENTS *********************************************************************************  8,367.95-

* NET OF RECEIPTS AND DISBURSEMENTS FOR FUND DETAIL                                                            126.00

* NET OF RECEIPTS AND DISBURSEMENTS FOR FUND 0001                                                              126.00
```

= Outstanding Check Amount
(350.00 + 375.00 = 725.00)
Refer to K01 – Exhibit XV-5 &
Exhibit XV-3, Step 9

EXHIBIT XV-6

```
CSTARK01 8860 (DEST: D1 FIL1) PM, ,0,0,0,1,    ,    ,    ,       ,          ,       ,     ********** RUN:01/15/09 TIME:18.36
 FISCAL MONTH:  06  DECEMBER       *************************** 1(NOSUB )********************
                                           DEPARTMENT OF FINANCE
                                           OUTSTANDING CHECK REPORT
                                              AS OF 12/31/08
 ******************************************************************************************************************* PAGE    1

   CHECK NUM     CHECK DATE    --------------VENDOR INFORMATION------------    FUND   SEQ   TYR   FM      TRANS AMOUNT
   ----------    ----------    --------------------------------------------    ----   ---   ----  --   --------------------

   244-000185    12/10/2008    9999999999-00 JOHN DOE                          0998   01    2008  06               350.00

   244-000035    09/05/2008    9999999999-01 CENTRAL PARKING                   0998   01    2008  06               375.00
```

```
CSTARK01 9990 (DEST: D1 FIL1) PM, ,0,0,0,1,    ,    ,    ,       ,          ,       ,     ********** RUN:01/15/09 TIME:18.34
 FISCAL MONTH:  03  SEPTEMBER       *************************** 2(SBTOT )********************
                                           DEPARTMENT OF FINANCE
                                           OUTSTANDING CHECK REPORT
                                              AS OF 12/31/08
 ******************************************************************************************************************* PAGE   14

                                    TOTAL NUMBER OF OUTSTANDING CHECKS:        2
                                    TOTAL AMOUNT OF OUTSTANDING CHECKS:          725.00

                                    TOTAL AMOUNT OF OUTSTANDING CHECKS BY FUND
                                    FUND                       AMOUNT
                                    ----               --------------------
                                    0001                           0.00
                                    0998                         725.00
```

```
CSTARK01 8860 (DEST: D1 FIL1) PM, ,0,0,0,1,    ,    ,    ,       ,          ,       ,     ********** RUN:10/24/08 TIME:18.34
 FISCAL MONTH:  03  SEPTEMBER       *************************** 2(SBTOT )********************
                                           DEPARTMENT OF FINANCE
                                           OUTSTANDING CHECK REPORT
                                              AS OF 09/30/08
 ******************************************************************************************************************* PAGE   15

                                    TOTAL AMOUNT OF OUTSTANDING CHECKS BY ACCOUNT NUMBER
                                    ACCOUNT NO                 AMOUNT
                                    ----------         --------------------
                                    999                          725.00   ←——— Step 9
```

EXHIBIT XV-7

```
CSTARG01 9990 (DEST: D1 FIL1) PM,M,1,0,0,2,    ,    ,    ,        ,        ,        ,        ********** RUN:01/15/09 TIME:18.34
FISCAL MONTH:  06  DECEMBER      1(SEC )****************** 2(BYFDT ) FUND(ALL ) GL(ALL )
                                            DEPARTMENT OF AIR QUALITY
                                      TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS
                                               AS OF 12/31/08
********************************************************************************************************** PAGE    1
SECTION   : 00
FUND      : 0001    GENERAL FUND
FUND DETAIL: 00
**********************************************************************************************************
                                  D
GLAN       ACCOUNT TITLE          C   BEGINNING BALANCE        DEBITS             CREDITS          ENDING BALANCE     GLAN
----  ------------------------   -   -------------------  ------------------  ------------------  -----------------  ----
1110 GENERAL CASH                D          55,736.58           7,158.95            4,554.95           58,340.58     1110
1115 GENERAL CASH REMITTANCE IN TRANS D     1,036.85          507,841.15          508,878.00                0.00     1115
1130 REVOLVING FUND CASH         D         200,000.00               0.00                0.00          200,000.00     1130
1140 CASH IN STATE TREASURY      D      11,484,954.31         667,220.77        4,533,873.00       15,351,606.54-    1140*
1190 CASH ON HAND                D               0.00               0.00                0.00                0.00     1190
1311 ACCOUNTS/REC - ABATEMENTS   D          14,843.98           1,119.53CR           397.60DR          14,122.05     1311
1315 ACCOUNTS RECEIVABLE DISHONORED C D         36.25               0.00               36.25                0.00     1315
1319 ACCOUNTS RECEIVABLE OTHER   D           3,548.15               0.00                0.00            3,548.15     1319
1400 DUE FROM OTHER FUNDS OR APPROPRI D   1,711,982.04         597,707.68          531,636.91        1,778,052.81     1400
1600 PROVISION FOR DEFERRED RECEIVABL C      3,584.40-             36.25                0.00            3,548.15-     1600
1710 EXPENSE ADVANCES            D               0.00               0.00                0.00                0.00     1710
1730 PREPAYMENTS TO OTHER FUNDS & APP D     480,144.18         197,553.75          158,678.75          519,019.18     1730
2600 DEFERRED CHARGES            D               0.00               0.00                0.00                0.00     2600
3010 ACCOUNTS PAYABLE            C          24,037.80-              0.00                0.00           24,037.80-     3010
3020 CLAIMS FILED                C         291,061.12-        667,338.86          470,859.43           94,581.69-     3020
3021 CLAIMS IN PROCESS           C               0.00         470,859.43          470,859.43                0.00     3021
3110 DUE TO OTHER FUNDS OR APPROPRIAT C         0.00               0.00                0.00                0.00     3110
3220 DUE TO LOCAL GOVERNMENT     C               0.00               0.00                0.00                0.00     3220
3730 UNCLEARED COLLECTIONS       C          44,314.92-         58,794.00           16,181.24            1,702.16-     3730
5330 RESERVE FOR PREPAID ITEMS   C         324,000.00-              0.00                0.00          324,000.00-     5330
5570 FUND BALANCE--CLEARING ACCOUNT  C    1,909,845.38-             0.00                0.00        1,909,845.38-     5570
6110 APPROPRIATIONS              C       6,896,896.57-             0.00        1,915,000.00        8,811,896.57-     6110
6120 APPROPRIATIONS--OFFSET      D       6,896,896.57        1,915,000.00               0.00        8,811,896.57     6120
6130 ALLOTMENTS                  C       2,214,980.24-             0.00                0.00        2,214,980.24-     6130
6140 ALLOTMENTS--OFFSET          D       2,214,980.24              0.00                0.00        2,214,980.24     6140
6150 ENCUMBRANCES                D       1,181,734.89          13,777.13          112,850.78        1,082,661.24     6150
6152 START-OF-YEAR ENCUMBRANCES  C       2,214,980.24-             0.00                0.00        2,214,980.24-     6152
6155 ENCUMBRANCES - OFFSET       C       1,181,734.89-        112,850.78           13,777.13        1,082,661.24-     6155
6157 START OF YEAR ENCUMBRANCE--OFFSE D  2,214,980.24              0.00                0.00        2,214,980.24     6157
6160 ALLOCATED ENCUMBRANCES - MONTHLY D     14,115.36-        202,589.73CR        204,141.11DR         12,563.98-     6160*
6161 ALLOCATED ENCUMBRANCES - OFFSET  C     14,115.36         204,141.11CR        202,589.73DR         12,563.98     6161*
6171 START OF YEAR PAYABLE       C       4,829,773.36-             0.00                0.00        4,829,773.36-     6171
6181 START OF YEAR PAYABLE--OFFSET    D   4,829,773.36              0.00                0.00        4,829,773.36     6181
6230 ESTIMATED REIMBURSEMENTS    D       1,072,711.05-     19,679,000.00               0.00       18,606,288.95     6230
6231 ESTIMATED REVENUE           D           5,712.00              0.00                0.00            5,712.00     6231
6240 ESTIMATED REIMBURSEMENTS-OFFSET  C   1,072,711.05              0.00       19,679,000.00       18,606,288.95-     6240
6241 ESTIMATED REVENUE-OFFSET    C           5,712.00-             0.00                0.00            5,712.00-     6241
8000 REVENUE/OPERATING REVENUE   C             352.53-             0.00                0.00              352.53-     8000
```

Step 11

EXHIBIT XV-8

EXHIBIT XV-8

```
CSTARG01 9990 (DEST: D1 FIL1) PM,M,1,0,0,1,    ,    ,    ,        ,        ,        ,        ********** RUN:01/15/09 TIME:18.34
FISCAL MONTH:  06  DECEMBER                              DEPARTMENT OF AIR QUALITY
                                                 TRIAL BALANCE OF GENERAL LEDGER ACCOUNTS
                                                          AS OF 12/31/08
************************************************************************************************************  PAGE  275
SECTION    : 00
FUND       : 0998    OFFICE REVOLVING FUND
FUND DETAIL: 00
***************************************************************************************************************************
                                        D
GLAN        ACCOUNT TITLE               C  BEGINNING BALANCE        DEBITS              CREDITS          ENDING BALANCE    GLAN
----  ------------------------------- -  --------------------  --------------------  --------------------  --------------------  ----
1110  GENERAL CASH                     D                0.00                  0.00                  0.00                  0.00  1110
1130  REVOLVING FUND CASH              D           36,199.80              1,335.00              3,813.00             33,721.80  1130
1190  CASH ON HAND                     D              100.00                  0.00                  0.00                100.00  1190
1400  DUE FROM OTHER FUNDS OR APPROPRI D           17,458.75             36,762.99             28,901.12             25,320.62  1400
1710  EXPENSE ADVANCES                 D           67,383.61             25,245.15CR            3,244.50             38,893.96  1710
1712  TRAVEL ADVANCES                  D           72,758.04              2,100.00             48,177.12             26,680.92  1712
1714  SALARY ADVANCES                  D           10,723.49              8,566.34             10,132.68              9,157.15  1714
9998  START OF SYSTEM CLEARING ACCOUNT D          200,000.00-                0.00                  0.00            200,000.00-  9998*

TOTAL FUND DETAIL  00                                   0.00             75,876.61             75,876.61                  0.00

TOTAL FUND         0998                                 0.00             75,876.61             75,876.61                  0.00
```

Step 11

EXHIBIT XV-9

SAM - Chapter 8000

8060 - RECONCILIATIONS
(Revised 8/98)

All bank and centralized State Treasury System (CTS) accounts will be reconciled promptly at the end of each month. See SAM Sections 7900 and 7967. This does not preclude reconciliations at other times of the month as considered necessary by the agency.

If it is determined by the reconciliation that an error has been made, agencies will notify the State Treasurer's Office. **DO NOT NOTIFY THE BANK.**

Report of Deposit Errors:

1. If there is an item on the statement that you cannot identify, copy that page of your CTS statement and highlight the item. Send the copy with a brief letter of explanation.

2. If you did not receive credit for a deposit, verify that all of the information on the Report of Deposit is complete and accurate. Send a legible photocopy of the Report of Deposit on white letter size paper only. DO NOT send agency or bank copies.

3. If there is a discrepancy in the amount of credit, send photocopies of the Report of Deposit and the CTS statement with the item highlighted. Send the copies with a brief letter of explanation.

4. If the Report of Deposit errors involve more than one bank, a separate letter is required for each bank.

The above items 1-4 must be sent to:
      State Treasurer's Office
      Bank Reconciliation Unit
      915 Capitol Mall, C-15
      P. O. Box 942809
      Sacramento, CA 94209-0001

If there is an agency check error on the CTS statement, make legible photocopies of the check, front and back, and the statement. Send the copies with a brief letter of explanation to:
      State Treasurer's Office
      Warrant Processing Unit, Room 2
      915 Capitol Mall, C-15
      P.O. Box 942809
      Sacramento, CA 94209-0001
Do not include Report of Deposit errors with agency check errors on any letter of explanation. A separate letter is required for each type of error.

CHECK TRANSACTIONS

Automated check batches are released from the Command **A.1.6** - Release Check Batches screen. Manual check batches are released from the Command **C.2** - List of Batches screen. Both types of check transactions are edited against the department's tables and files like all other financial transactions. Transactions that fail a batch edit post to the Error File and display on the CFB200-2 Error Correction Report.

If a transaction includes a check number that already exists in the Check File, the outstanding check amount is **adjusted** (not replaced) by the new transaction amount.

Check Transaction Corrections

Corrections to check transactions may only be posted with a **manual** check Transaction Code. When a reversing entry is posted to CALSTARS, the Check File is searched for a matching check record. The record must include the same check number, check date, fund, and vendor number if used. If a matching record is not found, the 'E85 - CHECK FILE NO MATCH' error message is displayed on the Error Report. This error is fatal and cannot be overridden. If a PCA is used to look up the fund, the E85 error is issued online. The online message can be overridden; however, the transaction will post to the Error File unless the appropriate information is added to the Check File before nightly processing.

If a correction is needed for a check that has already been reconciled from the Check File, the check may be temporarily added back to the Check File through Command **A.3**. Add Outstanding Checks screen.