XIII Office Revolving Fund Accounting

CALSTARS provides agencies with automated support for Office Revolving Fund (ORF) activities. The *State Administrative Manual* (SAM), Section 8100 *et.seq,* describes ORF procedures. Internal control procedures are discussed in SAM Section 8080.

The primary objective of establishing an ORF is to enable agencies to disburse cash for specific events in an expedient manner.

Agencies may issue checks from the ORF for the purpose of making:

- Payments of discount or other urgent vendor invoices;
- Petty cash fund and change fund disbursements; and
- Advances to employees for travel, salary or expenses.

Agencies may issue checks drawn against the ORF by manually typing the checks or using the Check Writer Subsystem to automatically print the checks on an agency printer. The issuance of checks is described in Volume 1, Chapter XIV, Check Writer Subsystem.

At most agencies, a significant amount of time and effort is dedicated to accounting for and reporting on ORF activities. Activities include:

- Maintenance of a cash book;
- Maintenance of a receivable ledger;
- Preparation of checks for vendors and employees;
- Reimbursement of Advances; and
- Reconciliation.

Certain payments to vendors made through ORF are subject to the "Reportable Payment" requirements described in Volume 1, Chapter XII, Reportable Payments. Agency staff responsible for disbursing advances made to vendors should be thoroughly familiar with reportable payments procedures and the special handling of ORF advances described in the next section of this chapter.

The objectives of this chapter are to:

- Describe the CALSTARS ORF accounting process;
- Discuss various reports that display ORF activity; and
- Explain how ORF activity is posted to the Vendor Payment File.

ORF ACCOUNTING PROCEDURES

Under Government Code Section 16400, a State agency is permitted to establish a revolving fund from any appropriation available to that agency, subject to certain limitations. These limitations and specific guidelines are provided in SAM Section 8100. The accounting entries and system features described on the following pages are in conformance with these sections.

Each agency's ORF account is identified in CALSTARS as Fund 0998. There is no associated Fund Source code. If an agency has more than one ORF account, unique 2-digit Fund Detail codes should be established in the agency's D23 Descriptor Table. These Fund Detail codes should be recorded on all ORF transactions in order to establish separate general ledgers for each ORF account and separately record each account's activities.

ORF accounting activities include:

- Establishing/increasing the ORF;
- Recording Petty Cash Fund/Office Change Fund activities;
- Processing salary advances;
- Processing travel advances;
- Processing expense advances;
- Reimbursing the ORF advances from the advancing fund; and
- Decreasing the ORF.

The procedures required to record each of these activities in CALSTARS are described on the following pages. Exhibit XIII-1 provides a listing of the transactions required to record ORF activity. Exhibit XIII-2 displays the T-accounts for those accounting events. Exhibit XIII-3 identifies how the Current and Reference Document Numbers should be coded to ensure proper tracking of ORF advances and disbursement records in the Vendor Payment File.

EXHIBIT XIII-1
SUMMARY OF OFFICE REVOLVING FUND TRANSACTIONS

Accounting Event		TC AUTO	TC MANUAL
Establish/Increase ORF			
1a)	Schedule Disbursement of ORF Appropriation Advance	403	404
1b)	Establish Due from ORF in Advancing Fund	191	191
1c)	Establish/Increase Office Revolving Fund	179	179
Petty Cash Fund/Office Change Fund established from ORF			
2a)	Establish Office Change Fund	420	417
2b)	Return/ORF Petty Cash/Deposit	407	407
Salary Advances			
3a)	Disburse ORF Salary Advance	422	277
3b)	Record Return of ORF Salary Advance	189	189
3c)	Disburse Excess Salary Advance Repayment	430	234
Travel Advances			
4a)	Disburse ORF Travel Advance	423	278
4b)	Record Return of ORF Travel Advance	186	186
4c)	Disburse Excess Travel Advance Repayment	431	235
Expense Advances			
5a)	Disburse ORF Expense Advance	424	280
5b)	Record Return of ORF Expense Advance	190	190
5c)	Disburse Excess Expense Advance Repayment	432	433
Reimburse ORF Advances from Advancing Fund			
Record Expenditures			
6a)	Schedule Expenditure (use the following TCs as appropriate)		
	Schedule Expenditure not Previously Encumbered/Accrued	231 [1/]	240 [2/]
	Schedule Expenditure Previously Encumbered	232 [1/]	243 [2/]
	Schedule Expenditure Previously Accrued	233 [1/]	246 [2/]
	Any other appropriate TC that creates a claim schedule		
6b)	Claim Correction in ORF (Fund 0998)	236 [3/]	236 [3/]
6c)	Reduce Expenditure (Claim Correction) *(Advancing Fund)*	253	253
Liquidate Advances and Establish a Due From Other Funds			
6d)	Liquidate Travel Advance	279	279
6e)	Liquidate Expense Advance	281	281
Record Deposit if Reimbursement Warrant			
6f)	Record Deposit of ORF Reimbursement Warrant	178	178
Decrease ORF			
7a)	Decrease ORF Cash	421	418
7b)	Record Return of ORF Advance in Advancing Fund	406 & 191R	406 & 191R

[1/] The vendor is the Office Revolving Fund. The claim schedule is recorded in the Clearing Account or advancing fund. If an automated claim schedule is used, reportable payments must be manually posted.

[2/] The vendor is the actual vendor for each invoice. This allows for the automated posting of reportable payments. The claim schedule is recorded in the Clearing Account or advancing fund. When the face sheet and remittance advice are typed, the vendor is the Office Revolving Fund instead of the actual vendors.

[3/] Transaction requires GLA input of 1710, 1712 or 1714, as appropriate. Sample posting in Exhibit XIII-2 shows claim correction of an expense advance reimbursement claim schedule.

EXHIBIT XIII-2
T-ACCOUNTS FOR OFFICE REVOLVING FUND

ENTRIES IN ORF (FUND 0998)

1130 Revolving Fund Cash

(1c)	10,000		
(2b)	50	50	(2a)
		200	(5a)
		300	(3a)
		400	(4a)
(5b)	80	20	(5c)
(3b)	160	100	(3c)
(4b)	125	75	(4c)
(6f)	490		
		2,000	(7a)

1190 Cash on Hand

(2a)	50	50	(2b)

1400 Due from Other Funds [1/]

(6e)	140		
(6d)	350	490	(6f)
		25	(6b)

1710 Expense Advances

(5a)	200		
(5c)	20	80	(5b)
(6b)	25	140	(6e)

1712 Travel Advances

(4a)	400		
		125	(4b)
(4c)	75		
		350	(6d)

1714 Salary Advances

(3a)	300		
(3c)	100	160	(3b)

3110 Due to Other Funds [2/]

(7a)	2,000	10,000	(1c)

ENTRIES IN ADVANCING FUND

1140 Cash in State Treasury

(7b)	2,000		
(6c)	25		

1130 Revolving Fund Cash

(1a)	10,000	10,000	(1b)

1400 Due from Other Funds [3/]

(1b)	10,000	2,000	(7b)

3021 Claims in Process

		10,000	(1a)
		490	(6a)

9000 Expenditures

(6a)	490	25	(6c)

[1/] Establish a separate subsidiary account number for each fund reimbursing ORF.

[2/] Establish a separate subsidiary account number for each fund advancing money to ORF (e.g., **31100001**).

[3/] Establish a subsidiary account number for each ORF account (**0998*nnnn***, e.g., **0000**).

EXHIBIT XIII-3
ORF CODING OF CURRENT/REFERENCE DOCUMENT FIELDS

The following table displays how Current Document Number and Reference Document Number fields are coded in ORF transactions. These fields must be completed as indicated below to properly track ORF advances and disbursements in the Vendor Payment File, and to establish the appropriate audit trails. The Vendor Number field must always be coded for the transaction to post to the Vendor Payment File.

Function	Transaction Codes	Current Document Number	Reference Document Number
Disburse ORF Advance	277, 278, 280 422, 423, 424	Enter the Check Number or any other unique value for the advance. [1/]	Not applicable
Return ORF Advance	186, 189, 190	Enter Cash Receipt Number or Report of Deposit Number for audit trail.	Enter the Current Document Number from the original advance.
Disburse Excess Advance Repayments	234, 235, 433 430, 431, 432	Enter the disbursing check for audit trail purposes. [1/]	Enter the Current Document Number from the original advance.
Schedule ORF Advance for Reimbursement	279, 281	For audit trail purposes, enter the number of the Claim Schedule that will be generated to reimburse ORF.	Enter the Current Document Number from the original advance.
Record Deposit of Reimbursement Warrant	178	Enter Cash Receipt Number or Report of Deposit Number for audit trail.	Enter the Current Document Number from the TC 279 or 281.
Establish Petty Cash Fund/Office Change Fund	417, 420	Enter the Check Number or other unique value for the disbursement. [1/]	Not applicable
Return Petty Cash Fund/Office Change Fund to ORF	407	Enter Cash Receipt Number or Report of Deposit Number for audit trail.	Enter the Current Document Number from the original disbursement.

[1/] When generating automated checks and the Current Document Number is blank, CALSTARS automatically assigns the Check Number to this field; e.g., Check Number **555-123456** becomes Document Number **55512345-60**.

Establishing/Increasing the Office Revolving Fund

The initial cash balance for the ORF is recorded by three entries.

1. Establish a new ORF account or increase the amount of an existing ORF account (recorded in the advancing fund).

   TC 403 Schedule To Establish ORF Advance (Auto)
   Dr. 1130 Revolving fund Cash
   Cr. 3021 Claims in Process

   OR

   TC 404 Schedule To Establish ORF Advance (Manual)
   Dr. 1130 Revolving fund Cash
   Cr. 3021 Claims in Process

2. When the SCO warrant is received, establish the amount Due from Other Funds (recorded in the advancing fund).

   TC 191 Establish Due From ORF in the Advancing Fund
   Dr. 1400 Due from Other Funds (Subsidiary: **09980000**)
   Cr. 1130 Revolving Fund Cash

3. When the warrant is deposited, establish the beginning cash balance and the amount due to the advancing fund (recorded in the ORF).

   TC 179 Establish/Increase Office Revolving Fund
   Dr. 1130 Revolving Fund Cash
   Cr. 3110 Due to Other Funds (Subsidiary: ***nnnn*0000**)
   (***nnnn*** = advancing fund number, e.g., **0001**)

Recording Petty Cash Fund/Office Change Fund Activities

Petty cash funds (also referred to as "cash purchase funds") function as sub-revolving funds for making cash purchases of goods and services costing less than $50.00. Office change funds function as sub-revolving funds for making change in a cash collection operation. In CALSTARS, these two types of funds are accounted for in the same manner.

To establish a petty cash fund or office change fund, a custodian of the fund must be appointed. A Vendor Number must be established in the agency's Vendor Edit Table for the custodian. The Vendor Name may include the custodian's title, i.e., John Doe, Region 3 Petty Cash Custodian, however, the Vendor Number should not be the custodian's Social Security Number or Employee Identification Number. An ORF check is then issued to the custodian using the custodian's Vendor Number in one of the following transactions. This establishes the petty cash fund or office change fund in the Custodian's name.

TC 417 Establish Office Change Fund - Manual Check
Dr. 1190 Cash on Hand
Cr. 1130 Revolving Fund Cash

OR

TC 420 Establish Office Change Fund - Auto Check
Dr. 1190 Cash on Hand
Cr. 1130 Revolving Fund Cash

Office change funds do not require periodic reimbursement since their purpose is to make change. However, the petty cash fund needs to be reimbursed after monies are used to purchase goods or services. Periodically, petty cash custodians submit cash receipts and vouchers for reimbursement. An ORF check is issued to the custodian to replenish the cash. The petty cash receipts are then submitted on a claim schedule (along with other expense advance vouchers) to reimburse the ORF. By using the custodian's Vendor Number and the original Document Number as the Reference Document Number in the expenditure transaction, all petty cash fund activity may be conveniently tracked in the Vendor Payment File. See the *Reimburse ORF Advances from Advancing Fund* and *Reviewing ORF Activity in the Vendor Payment File* sections later in the chapter for more information.

When there is a change of custodian, a reconciliation of the petty cash fund or office change fund is required per SAM Section 8111.2. The petty cash receipts should be submitted to reimburse the petty cash fund. After the petty cash is replenished back to its original amount, the cash should be remitted to liquidate the advance. When the petty cash fund or office change fund is returned to the ORF, the following entry is made in Fund 0998:

TC 407 Record Return of ORF Petty Cash - Deposit
Dr. 1130 Revolving Fund Cash
Cr. 1190 Cash on Hand

The Document Number that originally established the petty cash or office change fund must be entered in the Reference Document Number field.

Processing Salary Advances

The ORF must be used to record all salary advances made to employees. When it is determined that an employee requires a salary advance, the following entry is made to record the ORF check in Fund 0998:

TC 277 Disburse ORF Salary Advance - Manual Check
Dr. 1714 Salary Advances
Cr. 1130 Revolving fund Cash

OR

TC 422 Disburse ORF Salary Advance - Auto Check
Dr. 1714 Salary Advances
Cr. 1130 Revolving fund Cash

NOTE: A Vendor Number must be coded in the accounting transaction for it to post to the Vendor Payment File.

If the original ORF check is not issued to the employee or is returned to the agency by the employee and is not cashed, use TC 277R to cancel the check.

IMPORTANT: Do not record the return of an uncashed ORF check as a receipt using TC 189. This will cause a bank reconciliation problem.

When the employee's SCO payroll warrant is received by the agency for the period of the salary advance, the following entry is made in Fund 0998:

TC 189 Record the Return of ORF Salary Advance
Dr. 1130 Revolving Fund Cash
Cr. 1714 Salary Advances

To liquidate the salary advance, use the Document Number of the original advance in the Reference Document field. Enter the Cash Receipt or deposit number as the Current Document Number for audit trail or bank reconciliation purposes.

If the employee's payroll warrant is greater than the original salary advance, another ORF check is disbursed to the employee for the difference. This transaction is recorded in Fund 0998 as follows:

TC 234 Disburse Excess Salary Advance Repayment -Manual Check
Dr. 1714 Salary Advances
Cr. 1130 Revolving Fund Cash

OR

TC 430 Disburse Excess Salary Advance Repayment -Auto Check
Dr. 1714 Salary Advances
Cr. 1130 Revolving Fund Cash

Use the check number or a unique document number in the Current Document Number field. Enter the document number of the original salary advance in the Reference Document Number field. Using this document number will post the amount of the second check to the "Adjustment Amount" column of the original Document File record. This causes the original salary advance document to increase by the amount of the excess repayment so the total salary advance is equal to the cash receipt amount. The document balance should be zero when the second check nets the salary warrant that was deposited.

Processing Travel Advances

The ORF should be used to record all travel disbursements made to employees. SAM Section 8116.4 forbids the issuance of permanent travel advances. A travel advance is for travel reasonably expected to be completed within the next 30 days. When issuing travel disbursement checks from ORF, Travel Expense Claims (TEC) and Travel Advance Request forms are treated as *travel advances*. When it is determined that a travel advance is required for an employee, the following entry is made to record the ORF check in Fund 0998:

TC 278 Disburse ORF Travel Advance - Manual Check
Dr. 1712 Travel Advances
Cr. 1130 Revolving Fund Cash

OR

TC 423 Disburse ORF Travel Advance - Auto Check
Dr. 1712 Travel Advances
Cr. 1130 Revolving Fund Cash

NOTE: A Vendor Number must be coded in the accounting transaction for it to post to the Vendor Payment File.

If the original ORF check is not issued to the employee or is returned to the agency by the employee and is not cashed, use TC 278R to cancel the check.

IMPORTANT: Do not record the return of an uncashed ORF check as a receipt using TC 186. This will cause a bank reconciliation problem.

When the employee repays all or a portion of the travel advance the following entry is made in Fund 0998:

TC 186 Record Return of an ORF Travel Advance
Dr. 1130 Revolving Fund Cash
Cr. 1712 Travel Advances

To liquidate the travel advance, use the document number of the original advance in the Reference Document Number field. Enter the Cash Receipt or deposit number as the Current Document Number for audit trail or bank reconciliation purposes.

If the employee submits a TEC that exceeds the original travel advance another ORF check is disbursed to the employee for the difference. This transaction is recorded in Fund 0998 as follows:

TC 235 Disburse Excess Travel Advance Repayment - Manual Check
Dr. 1712 Travel Advances
Cr. 1130 Revolving Fund Cash

OR

TC 431 Disburse Excess Travel Advance Repay - Auto Check
Dr. 1712 Travel Advances
Cr. 1130 Revolving Fund Cash

Use the check number or a unique document number in the Current Document Number field. Enter the document number of the original travel advance in the Reference Document Number field. Using this document number will post the amount of the second check to the "Adjustment Amount" column of the original Document File record. This causes the original travel advance document to increase by the amount of the excess travel expenses so the total travel advance is equal to the TEC amount.

If a claim is not received within 60 days, SAM requires the agency to notify the employee of the outstanding balance and demand repayment backed by a statement that this amount will be deducted from the employee's next paycheck. If the trip was not taken, or the claim was less than the advanced, SAM requires the employee to repay the difference within 30 days.

Processing Expense Advances

The ORF may be used to take advantage of vendor invoice discounts when the timeframe will not allow timely payment by claim schedule. The following entry is made to record an expense advance in Fund 0998:

TC 280 Disburse ORF Expense Advance - Manual Check
Dr. 1710 Expense Advances
Cr. 1130 Revolving Fund Cash

OR

TC 424 Disburse ORF Expense Advance - Auto Check
Dr. 1710 Expense Advances
Cr. 1130 Revolving Fund Cash

NOTE: A Vendor Number must be coded with the accounting transaction for the transaction to post to the Vendor Payment File.

If the original ORF check is not issued to the vendor or is returned to the agency by the vendor and is not cashed, use TC 280R to cancel the check.

IMPORTANT: Do not record the return of an uncashed ORF check as a receipt using TC 190. This will cause a bank reconciliation problem.

If the expense advance is returned (vendor issues a check to repay advance) the following entry is made to Fund 0998:

TC 190 Record Return of an ORF Expense Advance
Dr. 1130 Revolving Fund Cash
Cr. 1710 Expense Advances

To liquidate the expense advance, use the document number of the original advance in the Reference Document Number field. Enter the Cash Receipt or deposit number as the Current Document Number for audit trail or bank reconciliation purposes.

Under special circumstances, when the vendor's invoice is greater than the original expense advance, another ORF check is disbursed to the vendor for the difference. This transaction is recorded in Fund 0998 as follows:

TC 433 Disburse Excess Expense Advance Repayment-Manual Check
Dr. 1710 Expense Advances
Cr. 1130 Revolving Fund Cash

OR

TC 432 Disburse Excess Expense Advance Repayment-Auto Check
Dr. 1710 Expense Advances
Cr. 1130 Revolving Fund Cash

Use the check number or a unique document number in the Current Document Number field. Enter the document number of the original expense advance in the Reference Document Number field. Using this document number will post the amount of the second check to the "Adjustment Amount" column of the original Document File record. This causes the original expense advance to increase by the amount of the excess expense advance so that the total expense advance is equal to the invoice amount.

Reimbursing ORF Advances from Advancing Fund

All advances made from the ORF must be reimbursed from another source. Salary advances are reimbursed and expenditures are recorded from the employee's salary warrant. Travel advances and expense advances are reimbursed through the claim schedule process and the expenditures are recorded from the travel expense claim, vendor invoice, petty cash receipt, or other payment voucher. Travel and expense advances are scheduled for reimbursement of the ORF after the expenditure documentation is received and approved by the agency.

When a claim schedule is prepared to reimburse the ORF, two batches of transactions are required: one batch to record expenditures and another batch to liquidate the advances and establish a Due From Other Funds. When the SCO warrant is received for deposit to the ORF, another entry is required. These events are described below.

Record Expenditures

The first batch creates a claim schedule and records the expenditure against the appropriation of the advancing fund. Payments made to vendors through the ORF are subject to the same reportable payment requirements as other vendor payments (see Volume 1, Chapter XII, Reportable Payments). Reportable payments are normally recorded at the time the expenditure is recorded in the advancing fund; i.e., when the

claim schedule to reimburse the ORF is entered. Since payments to employees are not subject to reportable payment requirements, they are discussed separately.

Record Travel Expense Claim and Expense Advance Expenditures
The following entry is made to record expenditures in the Clearing Account or advancing fund using a manual or automated claim schedule:

TC 231 Sched Expend Not Prev Encumbered or Accrued (Auto)
Dr. 9000 Approp Expend/Operating Expend & Expenses
Cr. 3021 Claims in Process

OR

TC 240 Sched Direct Expend Not Prev Enc Accrued (Manual)
Dr. 9000 Approp Expend/Operating Expend & Expenses
Cr. 3021 Claims in Process

For previously encumbered expenditures use TC 232 (Auto) or TC 243 (Manual). For previously accrued expenditures use TC 233 (Auto) or TC 246 (Manual).

These transactions are posted with the appropriate classification codes such as Object, Index and PCA for the advancing fund. The Vendor Number coded in the expenditure batch is selected for reportable payments based on using one of the two methods described below.

Record Reportable Payments for Expense Advance Expenditures
Expense advance transactions are posted with the appropriate classification codes such as Object, Index and PCA for the advancing fund. However, reportable payments made from the ORF are not automatically identified and posted to the Reportable Payment (RP) File. There are two methods available to identify and post reportable payments:

1. Code ORF Reimbursement Claim Schedules to Identify Reportable Payments Use TC 240, 243 or 246 to record *manual* claim schedules. **Code the actual Vendor Number in the expenditure batch.** Since the Invoice field is displayed on the Vendor Payment Shadow File, the Vendor Payment File and the RP File, use "ORF Reimb Claim" in the Invoice field to identify these payments as being made from the ORF. When the claim schedule face sheet and remittance advice are typed, the vendor (payee) is the ORF, not the individual actual vendors.

   NOTE: If more than 12 vendors are included in an ORF reimbursement claim schedule, multiple claims filed transactions (TC 360) will be generated creating multiple claims filed documents in the Document File (i.e., the Claim Schedule Subsystem inserts A, B, etc., instead of zero for the eighth digit of the claim schedule number). When recording the single CD 102 received from the SCO, it is necessary to enter multiple TC 252 transactions to liquidate the multiple documents (or automatically performed by the automated CD 102 process using TC 362).

2. Manually Identify Reportable Payments Use TC 240, 243 or 246 to record *manual* claim schedules or TC 231, 232 or 233 to record *automated* claim schedules. **Code the ORF Vendor Number in the expenditure batch.** Manually post reportable payments to the RP File using TC R02.

IMPORTANT: Regardless of the method used, agencies must establish procedures to ensure that reportable payments are reported in the same tax year as the check is received by the vendor. For instance, in November and December agencies should insure that reimbursement schedules are processed timely.

Record Claim Cut (Exception – use as required)
If an ORF reimbursement claim schedule is claim cut (reduced or returned without action) by the SCO, the following entries are made:

TC 236 Claim Correction in ORF (Fund 0998) *Done in ORF Fund 0998*
Dr. Input GLAN (1710, 1712 or 1714)
Cr. 1400 Due from Other Funds

AND

TC 253 Reduce Expenditure (Claim Correction) *Done in the appropriation of the advancing fund or Clearing Account*
Dr. 1140 Cash in State Treasury
Cr. 9000 Expenditures

Liquidate Advance and Establish a Due From Other Funds
These entries liquidate the advance and establish a Due from Other Funds account. Use one of the following entries, as appropriate, to record the event in Fund 0998:

TC 281 Liquidate Expense Advance
Dr. 1400 Due From Other Funds
Cr. 1710 Expense Advances

OR

TC 279 Liquidate Travel Advance
Dr. 1400 Due From Other Funds
Cr. 1712 Travel Advances

NOTE: Salary advances (GLA 1714) are always reimbursed by the employee's payroll warrant.

To liquidate the appropriate advance, use the document number of the original advance in the Reference Document Number field. Enter the claim schedule number in the Current Document Number field for audit trail purposes. This number is used to track the Due From Other Funds in the Document File for ORF reimbursements of travel expenses and vendor payments. The Subsidiary Account

Number identifying the fund that will reimburse the ORF is entered for GLA 1400 (usually **00010000** - Due from General Fund).

Record Deposit of Reimbursement Warrant
The final step of the ORF reimbursement process is to record the SCO's payment of the ORF reimbursement claim schedule. The following entry is made in Fund 0998:

TC 178 Record the Deposit of ORF Reimbursement Warrants
Dr. 1130 Revolving Fund Cash
Cr. 1400 Due From Other Funds

Use the Current Document Number field from the TC 279 or TC 281 transactions entered as the Reference Document Number. This will liquidate the GLA 1400-Due From Other Funds account. Use a Subsidiary number that identifies the fund reimbursing the ORF (usually **00010000** - Due from General Fund). Enter the cash receipt or deposit number in the Current Document Number field for audit trail and bank reconciliation purposes.

Decreasing the ORF

To decrease the ORF, a revolving fund check, made payable to the agency's advancing appropriation, is sent to the SCO along with a Remittance Advice noting that it is a return of a portion or all of the ORF advance. To record the issuance of the check returning ORF monies, one of the following entries is made in Fund 0998:

TC 418 Return ORF Cash to Advancing Fund - Manual Check
Dr. 3110 Due to Other Funds
Cr. 1130 Revolving Fund Cash

OR

TC 421 Return ORF Cash to Advancing Fund - Auto Check
Dr. 3110 Due to Other Funds
Cr. 1130 Revolving Fund Cash

The following entries are recorded in the *advancing fund* to record the cash receipt and decrease the amount due from the ORF:

TC 406 Record Return of ORF Appropriation Advance
Dr. 1140 Cash in State Treasury
Cr. 1130 Revolving Fund Cash

AND

TC 191R Establish Due From ORF in the Advancing Fund
Dr. 1130 Revolving Fund Cash
Cr. 1400 Due From Other Funds

ORF RECONCILIATION

Two monthly reconciliations are required for revolving fund transactions per SAM Section 8193. Both reconciliations can be performed using CALSTARS reports and the bank statement sent by the State Treasurer. These reconciliations are described below.

Reconciliation of ORF Cash Book Balance to the Agency General Checking Account

A reconciliation of the General Checking Account including ORF is provided by CALSTARS as part of the on-line Check Writer Subsystem. This reconciliation process is described in more detail in Volume 1, Chapter XIV, Check Writer Subsystem. To use this feature, an agency must have their Organization Control Table Check File indicator set to **Y**.

Reconciliation of ORF Resources to Amount of Cash Advanced

When the CALSTARS ORF is used, data for this reconciliation is available from the G01 Report, Trial Balance of General Ledger Accounts, for Fund 0998. This report is supported by various document level or subsidiary reports for outstanding ORF advances to employees, vendor invoices paid by ORF but not yet scheduled for reimbursement, and ORF claims scheduled for reimbursement but not yet paid by the SCO.

ORF REPORTS

There are several CALSTARS reports that provide specific information on ORF activity. Volume 6 provides detailed information on each of these reports. The following report descriptions provide some general information concerning ORF activity.

D02 - Aged Revolving Fund Advances

The D02 Report identifies the balance of each outstanding ORF document and the length of time it has been outstanding. This report is prepared and sorted by the three ORF general ledger accounts (GLA 1710 - Expense Advances, 1712 - Travel Advances, or 1714 - Salary Advances).

D08 - Office Revolving Fund Status Report

The D08 Report provides data on all outstanding ORF documents. This report may be requested by document number order or vendor number order and with or without a general ledger sort. This report is useful to identify the number of documents and amounts outstanding for each vendor.

D11 - Report of Document File Records with Abnormal Balances

The D11 Report lists all documents with abnormal balances. ORF documents shown on this report should be reviewed to determine why the document has an abnormal balance. The necessary correcting transactions should be identified and posted.

H06 - Cash Receipts and Disbursements Report

The H06 Report displays all activity for transactions that post to general cash, agency trust fund cash and ORF cash. The report shows both cash receipts and disbursements for these accounts.

HD1 - ORF Advance Transaction Analysis Report

The HD1 Report provides detail by general ledger and document number for all ORF activity in a particular month. This report is useful for researching specific activity for a specific document number.

K01 - Outstanding Check Report

The K01 Report lists all outstanding agency checks for any checking account. It includes all CALSTARS check activity and supports the agency's General Checking Account bank reconciliation process. An agency must use the CALSTARS Check File feature (OC Table, Check File indicator = **Y**) to obtain this report.

U01 - Vendor Payment Detail Report

The U01 Report provides detailed information concerning ORF advances and claim schedule reimbursement activities. This reports displays individual transaction activity for each vendor, <u>only</u> if a Vendor Number is used on the transaction.

REVIEWING ORF ACTIVITY IN THE VENDOR PAYMENT FILE

In the Vendor Payment File, all ORF advances are tracked by its assigned Vendor Number and the Current Document Number. The code entered in the Current Document Number field can be the actual check number or any unique value. A Vendor Number must be coded on the accounting transaction for the transaction to post to the Vendor Payment File.

Since the Current Document Number is used to track the status of the original advance in the Vendor Payment File, that Document Number must also be entered in the Reference Document Number field of all related accounting transactions. Each accounting transaction, whether it is a claim against an advance or a return of an advance, records an individual entry in the Vendor Payment File. These activities should be cross-checked against the Document File for proper document posting.

All activity for each advance entered with a Vendor Number is displayed on the Vendor Payment Shadow File Inquiry Screen (Command **H.7**) and the U01, Vendor Payment Detail Report. The Vendor Payment Shadow File Inquiry Screen displays individual advances with a summarized balance for each advance. The U01, Vendor Payment Detail Report, shows only totals for each Vendor Number/Suffix.

To find information on a specific ORF advance in the Vendor Payment Shadow File Inquiry Screen, enter the Vendor Number and Suffix and the Current Document Number and Suffix assigned to the original advance and press **Enter**.

Advances are retained in the Vendor Payment File along with all related accounting activity until the balance is reduced to zero. Periodically, all advances more than 3 years old with zero balances are purged from the file. Report CFB061-1, ORF Vendor Payment Purge Report, lists the deleted records from the purge process. This report should be retained for historical and audit trail purposes.

Vendor Payment Shadow File Screen Sample

The Vendor Payment Shadow File screens on the next page show a typical travel advance, issuance of a second advance for the difference between the original advance and the travel expense claim, and the liquidation of the advance via an ORF reimbursement claim schedule.

SCREEN 1

```
                 VENDOR PAYMENT SHADOW FILE INQUIRY -- SCREEN 1
     ENTER FUNCTION: _ (S=START, T=SCREEN 2)

ORG CODE: 9980   VENDOR NO: 0563468878 00   DOCUMENT NO/SUF: 00101222 20
                 VENDOR NAME: R SUMMERNHEIMER

 DOCUMENT                  CHECK NO/      FD             T
  NO/SUF       INVOICE     SCHEDULE  FUND DT INDX  PCA   C R      AMOUNT
----------- -------------- --------- ---- -- ---- ----- ---- ----------------
1/ 00101222 20 AUG97 TRAVEL   00101222  0998               423           500.00-
2/ 00101222 20                00101250  0998               431            50.00-
3/ 00101222 20                          0998               279           550.00+
DOCUMENT NO/SUF TOTAL 00101222 20  NUMBER OF ENTRIES =     3             0.00
```

SCREEN 2

```
                VENDOR PAYMENT SHADOW FILE INQUIRY -- SCREEN 2
     ENTER FUNCTION: _ (S=START, T=SCREEN 1)

ORG CODE: 9980   VENDOR NO: 0563468878 00   DOCUMENT NO/SUF: 00101222 20
                 VENDOR NAME: R SUMMERNHEIMER

 DOCUMENT   DOCUMENT  PROJ    CURRENT     REFERENCE   BATCH   BAT  SEQ
  NO/SUF      DATE     NO.     NO/SUF       NO/SUF     DATE    NO   NO_
----------- -------- ------ -----------  ----------- -------- --- -----
1/ 00101222 20 08-02-97        00101222 20              O8-02-97 001 00001
2/ 00101222 20 08-25-97        00101250 00  00101222 20 08-25-97 055 00013
3/ 00101222 20 08-25-97        RF777788 00  00101222 20 08-25-97 065 00017
                 TOTALS APPEAR ON SCREEN 1
```

1/ TC 423 entered to disburse an automated ORF travel advance check for $500.00. Check Number 00101222-20 is coded in the Current Document Number field for tracking the employee travel advance.

2/ A Travel Expense Claim (TEC) is filed by the employee for $550.00. TC 431 is entered to record the issuance of Check Number 00101250-00, which is a second automated ORF check for the difference between the original advance and the TEC. Check Number 00101250-00 is coded in the Current Document Number field and the Current Document Number for the original advance 00101222-20 is coded in the Reference Document Number field.

3/ When the TEC is scheduled for ORF reimbursement, TC 279 is entered to liquidate the total $550.00 travel disbursement and establish the amount as Due From Other Funds. The Current Document Number on the original advance 00101222-20 is coded in the Reference Document Number field. Regardless of the Vendor Number used in this transaction, CALSTARS looks up the Vendor Number from the original transaction (in this case the TC 423). Claim Schedule Number RF777788 to reimburse ORF is coded in the Current Document Number field.