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ACCOUNTING BULLETIN NO. 6

June 25, 1975

TO: Chief Fiscal Officers  
Of All State Agencies

SUBJECT: Treasurer's Refund Clearing Accounts and  
Transmittal of Deposits to the Comptroller

In cooperation with the Comptroller, the State Treasurer has established a separate Refund Clearing Account for each agency. The Refund Clearing Account must be used only for refunds (erroneous payments and overpayments returned to the State) submitted to the Treasurer for clearing. The subsequent drafts issued by the Treasurer on the Refund Clearing Account must be remitted to the Comptroller on the proper refund form.

SEPARATE REFUND DRAFTS

The Comptroller's Office will no longer accept Receipt Deposit Transmittals and Expenditure Adjustment Transmittals which are covered by the same Treasurer's draft. Receipt Transmittals and Refund Transmittals must be submitted under separate drafts. Salary refunds may be covered under the same draft with commercial refunds, but on the separate transmittal forms designed for each (C-65 and C-63).

DEFINITION OF REFUNDS

Only returns to the State of erroneous payments and overpayments are to be deposited into the Refund Clearing Accounts. Reimbursements are to be deposited into the Receipt Clearing Accounts and processed as receipt transactions. Reimbursements include receipt items such as (1) Federal/Local Governmental Unit payments that are initially paid by the State, and (2) Recoveries from individuals or vendors e.g. insurance claims, etc. that are not returns or erroneous or overpayments to the State.

TWO WEEK CLEARING CYCLE FOR REFUNDS

The State Treasurer's Office will distribute funds deposited in the Refund Clearing Accounts two weeks after the date of the initial deposit.

This will allow:

1. Sufficient time for checks being deposited with the Treasurer's Office to clear banking channels.
2. More time for NSF checks to be charged to Refund Clearing Accounts before issuing Treasurer's drafts covering funds on deposit with the Treasurer.

Deposits being made to the Refund Clearing Account of an agency should be clearly marked REFUND followed by the refund account number assigned to the agency by the Treasurer's Office.

DRAFTS COVERING MULTIPLE ITEMS

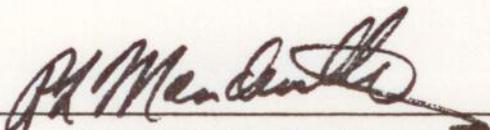
Agencies may request one draft covering multiple receipt items or multiple refund items with the following restrictions:

- a. Separate Receipt Deposit Transmittals (C-64) must be used for each fund. One or more receipt source and/or subsource may be used on a deposit transmittal, providing it is within the same fund.
- b. Separate refund transmittal forms (C-63 and C-65) must be used for each fund and organizational unit and fiscal year. The first eight digits of the expenditure authority accounts and the fiscal year must be identical.

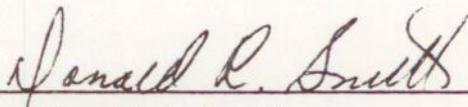
AGENCY VERIFICATION OF DEPOSITS

It is important that agencies verify the accuracy of their transmittals before sending them to the Comptroller for deposit. When an agency submits one draft covering multiple items and one of those items is incorrect, the Comptroller must return the entire deposit to the submitting agency for correction.

If you have any questions relative to the Refund Clearing Accounts or the procedures for transmitting deposits to the Comptroller, please call Joe DiRocco of the Comptroller's Office at extension 2-3426.



Robert L. Mandeville  
Deputy Comptroller  
Office of the Comptroller



Donald R. Smith  
Chief Fiscal Officer  
Treasurer's Office