



STATE OF ILLINOIS

OFFICE OF THE COMPTROLLER

GEORGE W. LINDBERG

ACCOUNTING BULLETIN NO. 1

April 1, 1974

TO: Chief Fiscal Officers
Of All State Agencies

Effective immediately, the Comptroller will permit agencies to process VT-2's upon receipt of deduction refunds that are readily recoverable, thus giving agencies the opportunity to deposit warrants and credit their appropriation, if applicable, before the warrants become void.

All salary warrants currently held for refund processing by agencies may be submitted to the Comptroller for redeposit if the net pay warrant (or Treasurer's draft representing a cash refund) is accompanied by warrants for reclaimed Federal Income Tax, State Income Tax and the employee's contribution to FICA. This does not relieve agencies of their responsibility to recover the gross amount of salary warrants issued in error where possible. Escheated warrants not eligible for redeposit, should also be submitted via VT-2 so that the employee's earnings record can be updated.

The following procedures should be followed to effect a salary refund:

1. Agencies are to reclaim Federal Income Tax, State Income Tax and employee's contribution to FICA on a subsequent payroll.
2. Agencies are to immediately request a Bond refund from the Comptroller's Office, if required.
3. Agencies are to submit the original warrant (or Treasurer's draft), Federal Tax warrant, State Tax warrant, FICA warrant and Bond refund, along with VT-2, referencing only the items recovered, to the Comptroller's Office for redeposit and appropriation credit, if applicable.
4. Agencies should continue to attempt to recover any remaining deductions for deposit into the Treasury.

Upon receipt of the properly prepared VT-2 and related warrants (or Treasurer's draft), the Comptroller will reduce the employee's gross earnings, Federal Taxes, State Taxes, FICA contributions and gross subject to FICA. The employee's gross earnings will be reduced by the amount of recovery. Uncollected deductions will be treated as income for W-2 purposes.

April 1, 1974

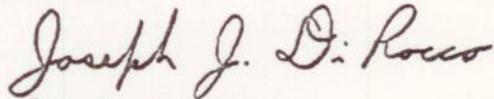
If remaining deductions are recovered after the VT-2 has been processed, they are to be transmitted to this office by a VT-2 marked supplemental, referencing only the items being transmitted with the supplemental VT-2. Upon receipt of the supplemental VT-2 this office will correct the employee's earnings by the amount transmitted.

Further revisions to the salary refund system will be made, including a revised VT-2 form. You will be advised in the near future of the revisions and their implementation date.

Please contact Mr. Dave Bononi at (217) 525-7633 if you have any questions concerning these changes.

Very truly yours,

George W. Lindberg
Comptroller



By: Joseph J. DiRocco
Accounting Operations Supervisor

JJD:mb